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## NEWS SUMMARY

### GENERAL

# Gandhi ordered to stand trial

Mrs. Indira Gandhi, the former Indian leader, is to be tried by a Delhi magistrate for refusing to testify yesterday before the Shah Commission on 11 issues relating to her emergency rule.

Mr. Justice Shah ordered the trial when Mrs. Gandhi declined to make a statement because, she said, it would violate the oath of secrecy she took when she became Prime Minister.

If convicted, Mrs. Gandhi faces imprisonment for six months or a fine of 1,000 rupees, or both. Page 4

### Political ban may be eased

Most civil servants will be free to take part in national and local politics if the Government accepts the Armitage Committee report, published yesterday. But those who deal directly with the public, as in social security or tax offices, will still be barred from political participation. Page 8

### Former envoys attack report

Entertainment "is simply the way one shares one's life with a foreigner." Sir Fred Warner, former ambassador to Japan, told a Commons select committee. He and Sir Christopher Soames, former Paris ambassador, were sharply critical of the Think Tank report on Britain's overseas representation. Page 10

### Lost portrait

Lady Spencer-Churchill destroyed Graham Sutherland's portrait of Sir Winston Churchill before her husband died, her executors announced. "I hear no rancour," said the artist last night.

### Roads blocked

Snow blocked roads in the North of England, while the A259 coastal road at Sandgate, Kent, was closed by flooding from the sea. The London Weather Centre recorded a record gust of 71 knots (82 mph).

### Basque battle

Two suspected Basque guerillas and a police inspector were killed in a gun battle in Pamplona, Spain. It was the fiercest outbreak of Basque violence in the country for three months.

### Pakistan move

General Zia-ul Haq, Pakistan's military ruler, said he would raise with Mr. Callaghan the possibility of his country applying to rejoin the Commonwealth in their talks to-day. Page 4

### Man owes £3.3m.

Mr. Gordon Dennis Walters, a former building company director, of Marylebone, who has debts of £3.37m. and assets of £1,550, told London Bankruptcy Court that his failure was due to the collapse of the property market.

### BBC talks fail

Talks between the BBC and the Association of Broadcasting Staffs failed to resolve the dispute involving 162 engineers which stopped work on all live TV programmes, other than news bulletins, yesterday.

### Euro-drive later

Switching road signs from miles to kilometres could not be done before 1985, Mr. William Rodgers, Transport Secretary, told the Commons. The cost would be over £7m.

### Briefly . . .

Electrical fault caused a fire at Bank underground station, London, which disrupted commuters' homeward journeys on the Central Line.

Left-wing agitators in borrowed firemen's uniforms were accused by the Fire Brigades Union of damaging equipment in Hertfordshire. Firemen face rows. Page 9

### BUSINESS

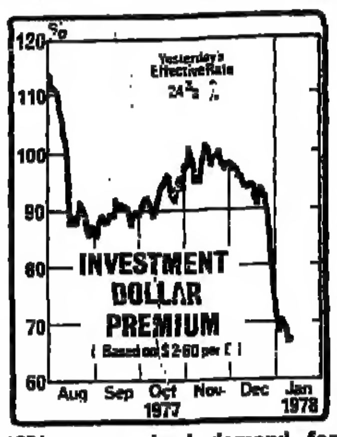
# Equities, Gilts reverse falls

● EQUITIES reversed their 13-point fall in two days with a rise of 2.7 to 487.2 in the FT ordinary index.

● GILTS regained early loses from noon onwards, and the Government Securities index closed with a 0.02 fall to 77.27.

● STERLING improved sharply as the London market closed, for a gain of 2.05 cents to $1.9390, its trade-weighted index up at 65.8 (65.7). The dollar's widened to 4.88 per cent. (4.47).

● INVESTMENT dollar premium rose to 66¼ per cent.




(65¼) on revived demand for investment in U.S. securities.

● GOLD fell $¾ to $172¼.

● WALL STREET was 4.33 down at 777.20 just before the close.

● BORROWING requirement has continued to run comfortably below the Government's forecast levels, mainly because of rapid growth in tax income. Back Page

● PRICE COMMISSION figures show that the slowdown in the rate of inflation stopped in December, when a small increase in the index of price rises was recorded. Back Page

● STRIKES in the U.K. car industry last year led to a 10 per cent. fall in sales, while imported cars took a record share of the market. Back Page

### Saudis may abandon $

● SAUDI ARABIA may seek payments for its oil based on several currencies other than the dollar, if the U.S. unit keeps on falling, in spite of an OPEC decision to peg petroleum prices in 1978. Back Page.

● PETROL companies expect prices to be pegged for much of this year. Page 7

● AMOCO is to go ahead with Murco with a £75m. cracker plant at its Milford Haven refinery in West Wales. Gulf and Texaco are already co-operating on a £200m. cracker at the Haven. Back Page.

● U.S. UNEMPLOYMENT dropped to 6.4 per cent. in December, the lowest level for three years. American analysts feel the drop will take some of the pressure off President Carter to stimulate the economy. Page 4

● MR. JOHN SILKIN, Minister for Agriculture, has warned the Danes he may be forced to block this year's EEC farm package if they oppose a revision of subsidies on bacon sold into the U.K. Page 33

● PINCHIN DENNY is to begin trading in the gilt-edged market, where its entry will raise the number of jobbers to three. Page 9

### COMPANIES

● ERF pre-tax earnings more than doubled for the 28 weeks to October 15 from £628,000 to £1.56m. on sales 41 per cent. up at £26.91m. (£19.08m.). A one-for-two scrip issue will be made. Page 22

● McCORQUODALE almost trebled pre-tax profit for the year ended September 30 to a record £3.03m. (£1.05m.) on sales up £7.36m. to £52.41m. Page 22

## CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

| | | |
|---|---|---|
| **RISES** | | |
| Exchequer 9½pc '81 £100⅝ | | + 1 |
| Coral Leisure | 130 | + 8 |
| E.R.F. | 146 | + 10 |
| Edinburgh Ice Rink | 130 | + 20 |
| Halma | 55 | + 5 |
| Highland Distills. | 149 | + 9 |
| Howard Shuttering | 33 | + 4 |
| ICI | 348 | + 4 |
| Intl. Timber | 136 | + 5 |
| Ladbroke | 202 | + 5 |
| Levex | 18½ | + 3½ |
| Lloyds Bank | 295 | + 7 |
| London Pavilion | 300 | + 140 |
| McCorquodale | 228 | + 11 |
| Northern Goldsmiths | 46 | + 4 |
| R.K.T. Textiles | 75 | + 7 |
| Racal Electronics | 210 | + 9 |
| Rank Org. | 258 | + 6 |
| Sharpe (Charles) | 385 | + 40 |
| Vickers | 192 | + 5 |
| Westbrick Products | 37 | + 7 |
| Doornfontein | 252 | + 5 |
| Gold Fields of S.A. | £10⅝ | + ⅜ |
| Pahang | 46 | + 4 |
| **FALLS** | | |
| Bilton (Percy) | 151 | − 5 |
| Dalgety | 229 | − 5 |
| Davy Intl. | 244 | − 5 |
| Gibbons (S.) | 182 | − 7 |
| H.K. & Shanghai Bk. | 228 | − 7 |
| Redfearn Natl. Glass | 318 | − 7 |
| BP | 820 | − 8 |
| Oil Expln. | 276 | − 20 |
| Cons. Gold Fields | 185 | − 5 |
| Jo'burg Cons. | £10 | − ¼ |
| Sabina | 34 | − 6 |
| Venterspost | 275 | − 14 |
| Vlakfontein | 51½ | − 6 |

# MPs urge closures and redundancies for British Steel

BY ROY HODSON

**Radical surgery on the British Steel Corporation during the next five years has been urged by an all-party Commons committee which reported yesterday.**

That is the only way of stemming the corporation's mounting losses—now running at well over £1m. a day—and returning the industry to profitability by the early 1980s, the Select Committee on Nationalised Industries says.

The committee has produced two reports on British Steel.

The first contains the results of an 18-month investigation of British Steel and its performance in comparison with foreign steel industries.

The second was prompted by the current steel crisis and was researched and written last November and December. In it the committee comments acidly on the handling of British Steel's affairs during the international steel slump, by both the corporation management and by the Government.

The MPs say there are only two possible explanations for the fact that evidence given to them was liable to cause them to be seriously misled about British Steel's prospects.

The first was that the corporation "had turned a blind eye to the real danger that the world market situation would worsen rather than improve and had continued to base their forecasts on the most optimistic assumptions."

The other possibility was that the corporation had deliberately avoided revealing the true situation to MPs and the Department of Industry.

"All that is certain is that the financial forecasts given to the committee proved to be wildly inaccurate," the report says. "At face value it (the evidence) indicates that the corporation's management is incapable of making a forecast for a few months ahead which stands any chance of achieving even a minimal level of accuracy."

**Unions at British Steel have agreed in principle to a tripartite Board and a new consultative and negotiating structure. Union leaders have also agreed to set up working parties to develop what Sir Charles Villiers calls "the steel contract." Page 9.**

Sir Charles Villiers, chairman of British Steel, reacted angrily last night to the MPs' criticism. "I feel extremely angry with the select committee for suggesting I did not provide them with proper information."

Sir Charles turned up the evidence he gave to the committee in May 1977 in which he said: "If you look at 1977 you will see that steel delivery has turned down again.

"There has been a very serious revision of our sums and market assessment and every steel company i nthe world has had to do this . . . we have made careful preparations and have been less optimistic than the Government . . . for the immediate future it is a downturn and a further downturn."

He could not understand, he said, how the committee had failed to appreciate from that statement and others he had made just how seriously the steel market was deteriorating.

A Government statement on British Steel's future is expected shortly, following months of discussions between the Department of Industry, the Treasury, British Steel management, and the TUC steel committee about trimming the labour force, closing old works, and cutting the corporation's £500m.-£600m.-a-year investment programme.

The committee believes that the corporation must deal with its financial difficulties by reducing the number of jobs at BSC works over the next five years and by recasting the capital investment programme.

Without going into actual manning figures, the committee recommends cutting operating costs by a reduction in "job opportunities."

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# Rolls-Royce offers Benn nuclear reactor expertise

BY DAVID FISHLOCK, SCIENCE EDITOR

ROLLS-ROYCE has offered to apply its 24 years' experience of the pressurised water reactor to the construction of nuclear power stations. The move is a major development in the nuclear reactor debate.

The offer to the Government is backed by the Ministry of Defence, for which Rolls-Royce has built 16 PWRs and has a further four under construction.

Sir Kenneth Keith, Rolls-Royce chairman, has already briefed both the Prime Minister and Mr. Anthony Wedgwood Benn, Secretary for Energy, on the experience his company has to offer.

He suggests Rolls-Royce might collaborate with GEC to build the PWR station wanted by the Central Electricity Generating Board.

The CEGB has proposed building a PWR station as an insurance or fallback system should the British-designed, advanced gas-cooled reactor prove unable to fulfil Britain's future nuclear energy requirements.

Nuclear submarine reactors are built for the Navy by Rolls-Royce and Associates, in which Rolls-Royce has a 54 per cent. interest with the balance shared by Babcock and Wilcox, Foster Wheeler and Vickers.

In the 1950s, the company was given access to Westinghouse Electric PWR technology, through the U.S. Navy, but has since developed a series of British PWRs. The second-generation reactor is already in service with the Fleet, a third-generation at the prototype stage, and a fourth, on the drawing board.

The submarine PWR is about one-third of the size of the 1,300 MW reactor the CEGB wants to build, but has a pressure vessel with half the wall thickness, and a power density in the core of the same order. The reactor is built entirely by British industry to the same safety standards as a commercial PWR.

The significance of Rolls-Royce's intervention lies in the fact that it is a large state-owned company the Government respects, and one that could greatly strengthen the project capability of a depleted nuclear industry.

Sir Kenneth said yesterday that he had been stressing that the PWR was not U.S. technology but "world technology," just as the jet engine was world technology.

He envisages Britain's nuclear reactor programme pursued through two companies under the umbrella of the National Nuclear Corporation: one designing and building AGRs; and a joint GEC-Rolls-Royce group designing and building PWRs.

Rolls-Royce itself would participate in the venture, leaving Rolls-Royce and Associates as a purely defence contractor, building and servicing submarine reactors.

Sir Kenneth was confident of Rolls-Royce's previous nuclear experience, and that it would be able to draw freely on the experience of its subsidiary.

The series of meetings Mr. Benn is holding with nuclear industry chiefs to try to resolve the choice of reactor continues to-day.

# $500m. Euroloan repaid early

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT programme of early repayment of part of the large official borrowings overseas is under way on a significant scale.

The Electricity Council confirmed yesterday that it will repay a $500m. Euroloan next month, more than four years before the maturity date. This is by far the largest early repayment yet.

The Government is expected to announce within the next few weeks the early repayment in stages of the $830m. first credit tranche from the International Monetary Fund.

In addition the U.K. public sector has borrowings of $950m. which mature this year. Although some of this may be refinanced, the total of debt repayment looks like being between at least $2bn. and $2.5bn., compared with $200m. in 1977.

The strength of sterling makes it attractive to repay some debt. The Electricity Council loan was raised in November 1976. Since then the pound has risen by 17 per cent. against the dollar. The benefits of this gain accrue to the Treasury.

The other main criteria for early repayment are the absence of penalty clauses and a high interest rate as in this case.

The main aim of early repayment is to reduce the large total of borrowings maturing in the peak years 1980-82, when a total of $12bn. is due.

New borrowing and re-financing of existing debt is being considered, and $360m. has been raised overseas since October.

But the immediate scope for refinancing is fairly limited, since only relatively small amounts of money can be raised for longer than five or seven years, and the intention is to extend maturities into the late 1980s, beyond the current repayment bump.

There is some caution about repaying in the immediate future more than a limited percentage of the official debt, in view of the sizeable proportion of short-term liabilities in the reserves.

Debt repayment has also become a controversial issue in the debate about the use of North Sea oil resources.

# Stage set for clash on Varley letters

By Rupert Cornwell, Lobby Staff

THE STAGE has been set for a major trial of strength between Parliament and the Executive after yesterday's publication of the Select Committee Report demanding access to confidential papers on the financial prospects of the British Steel Corporation.

A motion is due to appear on the Commons order paper to that effect to-day, endorsed by every member of the Select Committee for Nationalised Industries. This is expected to secure backing from all sides of the House.

In the afternoon, Mr. Michael Foot, Leader of the House, will come under strong pressure to grant a speedy Commons debate on the report. But last night, the signs were that the Government plans to resist the demands.

The determination of the committee to secure the papers—correspondence between Mr. Eric Varley, Industry Secretary, and Sir Charles Villiers, the BSC chairman—was bolstered yesterday by strong but carefully worded support from the Conservative leadership.

Sir Keith Joseph, Opposition spokesman on industry, acknowledged the importance of commercial confidentiality.

But in the case of BSC, he continued, "if select committees are to function effectively, and to safeguard the public interest, they must have the information necessary for their task.

## Rebellion

"The disclosure of documents is not a party matter, but one for the House of Commons to decide."

The Tories are likely to make available some of the Parliamentary time they are allotted for steel but a two-day debate on the industry and the Report is unlikely for at least a fortnight.

An element in the MPs' mood of increasing rebellion against executive diktat is the belief that the options for BSC's future, which officials declined to discuss with them, have already been partly "leaked" to the Press by the Industry Department.

They are, therefore, unlikely to be satisfied by the compromise being suggested by the Department yesterday, offering to reveal the contents of the papers, but only after the Government had made its own long-delayed statement on the steel industry.

For all the turmoil, it is accepted at Westminster that the Government, through its control of Parliamentary time, will be difficult to defeat.

Mr. Foot, moreover, is known to be very reluctant to see any extension of select committee powers implied by the surrender of the documents.

# Gaullists end French election pact

BY DAVID CURRY PARIS, Jan. 11.

THE FRAGILE pre-electoral peace between the parties supporting France's conservative coalition was shattered to-night when M. Jacques Chirac's Gaullist party denounced the election pact with its coalition partners and declared that it would put up separate candidates throughout the country.

The Gaullists accused the other parties, notably President Valery Giscard d'Estaing's Republican Party and his middle-of-the-road allies in the National Assembly, of ganging up to form an anti-Gaullist front.

They alleged that the aim was to damage Gaullist chances in the March General Election and clear the way for a Centre-Left dominance of the post-election Parliament.


President Giscard: accused of ganging up

## Split votes

This decision by M. Chirac's party means that in the 120-odd seats where the four coalition partners had agreed to present a single joint candidate in the first round of voting on March 12, there may be two coalition candidates competing for the non-Socialist vote.

The Gaullists, biggest party in the National Assembly and the coalition, have said they will now certainly nominate candidates for the 50-odd seats where they agreed to stand down in favour of other parties.

M. Yves Guena, speaking for the Gaullists after to-day's liaison committee meeting with the other parties, emphasised that his party would remain faithful to the other elements in the election pact.

This means, notably, the agreement to step down after the first round of voting in favour of the candidate with the best showing, to give him a free second round run.

## Isolation

M. Guena committed the Gaullists to observe the "code of good conduct" between the majority parties, designed to stop their attacking each other during the election.

Gaullist fears that the real purpose of M. Giscard d'Estaing and the Centre parties is to create a Centre-Left coalition, isolating the Gaullists on the Right and the Communists on the Left, are longstanding.

The particular cause of the new dispute is the decision of the non-Gaullist parties of the majority to put up their own joint candidate in constituencies where there is no agreement with the Gaullists for a single candidate.

This decision covered some 380 constituencies.

Two aspects of this move particularly incensed the Gaullists. First, the non-Gaullist pact includes the Radical Party, led by M. Jean-Jacques Servan-Schreiber, a firm opponent of the Gaullists, whose party refused to sign the general electoral pact.

Second, the non-Gaullist pact was fashioned under the auspices of M. Raymond Barre, the Prime Minister, to whom the Gaullists refused to concede any political role in the election.

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Union summit and other French news, Page 2

The row in the majority will certainly do material damage to the Government's election chances, ironically at a moment when the split in the Left seemed irrepairable.

The Communists have confirmed that they will refuse an election agreement with the Socialists in the first round, and accept one for the second round only if their popular vote approaches 25 per cent.

## Rescue

More serious may be the psychological damage, destroying the impression that a reasonably united majority, offering moderate progressive reform and sound economic management, was heading for victory against a bitterly divided Left.

Leaders of the majority parties are due to meet the President at the beginning of next week, when presumably there will be an effort to repair the damage.



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# Tense summit between French union leaders

BY DAVID CURRY

PARIS, Jan. 11.

A TENSE summit meeting between the leaders of France's two biggest trades unions was taking place to-day to try to agree on a joint strategy for the pursuit of wage claims and a common attitude towards the political events leading up to and beyond the election.

The meeting between M. Georges Seguy, leader of the Communist-controlled (at central level) CGT, himself a Communist Central Committee member and M. Edmond Maire, head of the CFDT, is likely to bring to the surface differences both of political preference and industrial strategy.

The CGT, which claims some 2.4m. members, is a partisan of "democratic centralism" and is vigorously promoting the Communist line against the Socialists. It has, nonetheless showed a tendency recently to back down from industrial confrontation.

The CGT, rather than the CFDT whose links are with the Socialist Party, has refused to renew industrial action over a pay claim at the State-owned power utility EDF, and is thought to want a period of peace to sort out its internal troubles. These stem in part from the fact that some 40 per cent. of its membership are Socialist voters. The CFDT has claimed that the strong Communist position taken by M. Seguy has caused a number of dissidents to cross the union lines.

The CFDT, with about 900,000 members, is a much less organised and disciplined body than the CGT. It takes pride in its grass roots philosophy and its main commitment is to local workers control. This puts it far apart from the Communist preference for centralised planning, extended nationalisation, and nomination to the government of company chiefs acceptable to the workers (in practice the unions).

M. Maire has, like M. Seguy, conducted his own investigation into the causes of the break-up of the Socialist-Communist alliance and arrived at the opposite conclusion to his colleagues. He accuses the Communists of being afraid to participate in government in the current economic climate and of being excessive in their demands for nationalisation.

Both men have said that industrial action must be pursued, though they have a difference of emphasis. M. Seguy has dismissed the idea of a pre-electoral truce, although his union in fact appears to be observing just such a cease-fire.

M. Maire has warned for his part that "social mobilisation" may be necessary after the elections to keep a left-wing government up to its promises.

The two unions collaborated strongly last year, particularly before the left wing political alliance collapsed. The general strike in May was a reasonable success and the two unions were the main forces behind the unsuccessful attempt to repeat the performance in December. But by that time the tensions in their relationship had begun to become very obvious.

# Companies sceptical over Algerian boycott effect

BY OUR OWN CORRESPONDENT

PARIS, Jan. 11.

FRENCH COMPANIES in the running for contracts in Algeria remain hopeful about their prospects, despite the virtual embargo the Algerian Government has ordered on new import contracts with France.

However, while admitting that poor political relations between Paris and Algiers are contributing strongly to the increased difficulty in selling to Algeria, they point out that the market has been in decline for most of them for some time.

Typical is the case of the Renault Industrial Vehicles subsidiary Saviem Berliet. In 1975 they sold 10,000 heavy vehicles to AlgeriaS in 1976 4,500; and last year fewer than 600.

One of the reasons is that ambitious investment plans were drawn up by Algeria, in common with other oil states, in the wake of the 1973-74 boom in oil prices. The recession in the West, the relative weakness of oil prices, an dthe falling demand for crude forced a scaling down of plans and consequently of imports, in Algeria as elsewhere.

Nonetheless, important contracts are at stake. Berliet itself was responsible for the engineering supply of equipment and the training for the first stage of the Poueba lorry plant, intended to build 4,500 vehicles a year.

The output of this plant, of course, was partly responsible for the decline in imports. Berliet is in the running for the order to double the plant's capacity, while it still has an interest in sales of parts.

Its parent, Renault, has not written off hopes of landing the contract to supply a 100,000-unit-a-year car plant to Algeria, despite Fiat's claim that it has almost won the contract.

The Italians, in fact, with their growing purchases of Algerian energy, have made solid advances as suppliers of know-how and equipment to the Algerian tetrocarbon industry. However, in 1976 the French steel industry sold 51,000 tonnes of steel to Algeria. "It's not inconsiderable but neither is it enormous," commented a steel federation official philosophically.

Technip, front runner for the consultancy contract for the LNG East gas liquifaction plant at Skikda, is very guarded in its comments. It notes that some negotiations which are very advanced with French companies may be allowed to continue, and clearly hopes that the Skikda plant is a case in point.

# Giscard begins Ivory Coast visit

By Robert Mauthner

ABIDJAN, Jan. 11.

PRESIDENT Valery Giscard d'Estaing, who arrived here to-day in a Concorde for a five-day official visit, is expected to stress the growing role which Europe and, particularly France, can play in African affairs in his talks with President Felix Houphouet-Boigny of the Ivory Coast.

The long visit which the French President is paying to the Ivory Coast at a time when the French general election campaign is already underway, has provoked some surprise in France. Though no official explanation has been forthcoming, it is generally considered that the timing of the visit is not entirely fortuitous.

M. Giscard d'Estaing who, in the early days of his presidency, wsa criticised by the Gaullists for neglecting France's traditional ties with Africa is, no doubt, anxious to prove that he is as concerned about France's relations with its former colonies as were his predecessors.

Partly for domestic reasons and partly as a result of prodding from moderate West African leaders such as Presidents Senghor of Senegal and Houphouet-Boigny, M. Giscard d'Estaing has bent over backwards during the past year to prove his critics wrong. France's military aid to Zaire, when it was threatened last year by incursions into its southern province by Angola-based rebels, and its recent military backing for Mauretania in its fight against the Polisario Western Sahara independence movement, have been the most obvious examples of France's new policy.

This policy is based on helping the governments of friendly African states to repulse threats originating from outside their frontiers and, particularly, to counter the growing Soviet and Cuban influence in Africa. Though they have been criticised in many quarters, there can be little doubt that the French initiatives have met with the aproval of President Houphouet-Boigny.

The Ivory Coast President is in the vanguard of those African leaders who feel that former European colonial powers have a special role to play in preventing the African continent from going Communist or becoming the victim of super-power rivalry.

Of all France's former African colonies, the Ivory Coast is perhaps the one where French influence has remained strongest. France is still the country's biggest single client and supplier, and French officials, teachers and companies, to say nothing of a 400-strong French military contingent, continue to play a vital role in the country's affairs. Some 50,000 French nationals live and work here, compared with only about 12,000 at the time of independence, and French financial aid amounts to at least a third of total aid.

# Soviet cosmonauts in pioneer space station link-up

MOSCOW, Jan. 11

TWO COSMONAUTS aboard *Soyuz 27 linked* their spacecraft with a Salyut 6 space station today and joined two other cosmonauts for an historic rendezvous in space.

It was the first time two spaceships have docked simultaneously with an orbiting space station.

The official Tass news agency said the Soyuz 27 spaceship, carrying Lt. Col. Vladimir Janibekov and civilian engineer Oleg Makarov, docked with Salyut 6 at about 2 pm (GMT).

The double docking opened a major Soviet effort to man continuously the station orbit*ing more than 200 miles above* the earth for as long as a year.

During the difficult link-up, the first pair of cosmonauts — Lt. Col. Yuri Romanenko and Engineer Georgy Grechko — remained in their Soyuz 26 spacecraft. When the docking was secured, all four cosmonauts left their spacecraft and met in the space station.

Moscow radio said Janibekov and Makarov will work aboard the orbiting laboratory for five days then will swap spacecrafts with the first crew and return to earth aboard Soyuz 26. UPI

David Satter adds: The *Salyut 6 has two docking ports.* The Soyuz 26 space ship, which was launched into orbit on December 10, docked at one of the Salyut 6 ports the following day, and Soyuz 27 has docked at the other. The mission could greatly expand the potential of the Salyut's programme which has been going on since 1971, making it possible to replace crews, to ferry extra specialists, to refuel and resupply, and even, if necessary, to rescue cosmonauts in distress.

Earlier Salyut models have only had one docking facility. The first attempt to link up with the Salyut 6 in October failed, and after Soyuz 26 linked up successfully in December, Grechko (46), wearing a new type of spacesuit, walked in space for 20 minutes to check the docking mechanism used to-day by Soyuz 27 and reported it in perfect condition.

Reuter adds: The final approach to the Salyut station would have been made less nerve-racking for the Soyuz 27 crew because their comrades already aboard the station were believed to have been able to guide them in.

Moscow Radio said Cosmonauts Romanenko and Grechko took up positions aboard their own Soyuz 26 craft for the crucial docking manoeuvre, high over central Asian Aral Sea, in case of any mishap.

Soyuz 27 lined up for the final approach from a distance of 240 yards and moved in at a speed of 0.2 yards per second until levelling off at 40 yards and nudging into the docking bay.

# Brussels refinery cuts urged

By David Buchan

BRUSSELS, Jan. 11.

THE EEC Commission is to persevere in its efforts to persuade EEC Governments to agree to a tucabck in the present oil refining capacity surplus in Europe.

Despite rebuffs from EEC Energy Ministers twice last year, the Commission will produce a new report on the problem for the planned Energy Council meeting in March.

This assurance was given by Herr Guido Brunner, the Energy Commissioner, in a letter made public to-day to the presidents of five European oil companies —CFP, ELF Aquitaine (both French), ENI (Italian), Petrofina (Belgian) and VEBA (German).

These five companies, with about 30 per cent. of the European market betwen them, have in common a relative lack of their own crude supplies, and a correspondingly high dependence on European refining operations.

They have been pressing the Commission for the last 18 months to take Community-wide action to ratioanlise the EEC's refining capacity.

The Commission proposed last year that a cut of 16 per cent. was needed in EEC refining capacity to bring supply down to prevailing demand. This, it said, should be done by stopping new construction and by taking less efficient refineries out of service.

But, though the complaints of CFP, ELF, ENI and Petrofina have the support of their respective Governments, agreement was not possible at either of the two EEC Energy Councils last autumn.

The Commission also announced to-day that it is asking oil companies and traders to report all spot transactions on the Rotterdam oil market for a "trial period" of six months from February 1.

This is designed to meet the demand by the five European oil companies for a greater "transparency" of the Rotterdam market, which although accounting for only 3 per cent. to 5 per cent. of North West European consumption, is Europe's most important spot transaction market.

What the five smaller oil companies really appear to suspect is that their bigger brethren — among them the two European oil majors, BP and Shell — are depressing prices by offering secret rebates on the Rotterdam market.

# Former top Italy bank official held over Sindona case evidence

BY PAUL BETTS

ROME, Jan. 11.

SIG. MARIO BARONE, the recently suspended joint managing director of the Banco di Roma, one of Italy's largest State-controlled banks, was arrested to-day on charges of "alleged continued concealment and suppression of private documents."

The decision was taken by Milan magistrates currently investigating the activities of the Milan financier Sig. Michele Sindona, now living in New York where he is fighting extradition demands by the Italian *authorities*.

The Banco di Roma took over some of the affairs of Sig. Sindona including the Banca Privata Italiana after his financial empire collapsed in 1974.

Last November, Sig. Barone was arrested but released 24 hours later . The Milan magistrates investigating the "Sindona Affair" charged him with "reticence and concealment of evidence."

Later Sig. Barone, together with the Banco do Roma's other managing director, Sig. Giovanni Guidi, was suspended at his own request from the bank's Board pending the "Sindona" inquiries.

The charges against Sig. Barone involve the alleged concealment of a list of some 500 clients of Sig. Sindona's former Banca Privata Italiana, said to include leading political and financial figures. The lire deposits of the former Sindona clients are also said to have been transferred to Switzerland and later "laundered" back into Italy.

The Milan magistrates have also been pressing the Swiss authorities to relax their bank secrecy rules in order to obtain information about numbered accounts of a Geneva bank formerly controlled by Sig. Sindona.

Meanwhile, the Board of Italcasse, Italy's central savings bank, called to-day an extraordinary general meeting next month when the entire Board is expected to resign and a new Board be elected.

The decision is aimed at restoring credibility to the bank after a protracted scandal involving the alleged misdirection of funds which resulted in the resignation last year of Italcasse chairman Sig. Giuseppe Arcaini.

Dominick J. Coyle adds: Italian consumer prices in December rose by just half a per cent. This is the smallest increase for any month last year, and is a distinct improvement on the 1.5 per cent. rise in consumer prices in November.

Consumer prices last month were just under 15 per cent., higher than in the corresponding month in 1976, and provisional returns by ISTAT published here to-day show that the average rise for the whole of last year was 18 per cent. over the mean for the previous year.

# New Austria central bank head

BY PAUL LENDVAI

VIENNA, Jan. 11.

THE EXECUTIVE committee of the ruling Austrian Socialist Party unanimously approved to-day a proposal tabled by Chancellor Bruno Kreisky that Dr. Stephan Koren, currently chairman of the parliamentary group of the opposition People's Party, should be nominated as the new President of the Central Bank.

This is the first time in post-war history that a leading opposition politician has been promoted to such a key position by the government in power.

The 58-year-old professor of economics, who served as Finance Minister in the last conservative government in 1968-70, will be formally appointed by the Federal President next week. He will replace President Hans Kloss, whose fie-year-old term expires on January 31.

His appointment is a major political event since it deprives the main opposition party of its effective public speaker. Prof. Koren, who began his political career only in 1967, has all along been a sharp critic of the Socialist Government's monetary and fiscal policies.

However he has long been on excellent personal terms with Chancellor Kreisky, who regards him as a man of personal integrity and outstanding ability.

The move has also been welcomed by the banking community which has been increasingly concerned about meddling in politics by Socialist directors of the central bank. In view of his reputation, Prof. Koren should be able to reassert the bank's former key role in monetary policy.

Politically, the Socialist Party can only profit from Chancellor Kreisky's shrewd move. Party propaganda is bound to stress the appointment as a convincing proof that the Socialists, despite their absolute majority, refrain from abusing the power.

# Czechs plan hunger strike

BY OUR OWN CORRESPONDENT

VIENNA, Jan. 11.

CZECHOSLOVAKIAN HUMAN rights activists have decided to stage a simultaneous hunger strike to-morrow in Prague and Vienna to commemorate the arrest of Mr. Jiri Lederer, a prominent Czech journalist on January 12 last year and to demand his release.

Mr. Lederer was sentenced by a Prague court in October, 1977, to three years imprisonment for alleged anti-state and subversive activities.

Mr. Lederer was one of the initiators of the Charter 77 human rights manifesto. At his trial, he insisted that he tried to collect and to send abroad purely literary works by well known Czech writers who, for political reasons, had been prevented from publishing in Czechoslovakia.

Ten signatories of the Charter, who last year emigrated to Austria, and others, will stage a symbolic hunger strike from 7.30 a.m. to 7 p.m. to-morrow in front of the Czech state travel bureau in Vienna.

At a news conference to-day, a committee representing 16 Austrian youth and religious organisations called for a nation-wide campaign to protest at the violation of human rights in Czechoslovakia and Brazil.

# Irish group contests EEC levy

By Giles Merritt

DUBLIN, Jan. 11.

European parliamentarians of the 19-strong European Progressive Democrats (EPD) group decided in Dublin to-day to take the unusual step of contesting the legality of the EEC's levy on dairy produce.

The EPD, which represents a group including Ireland's ruling Fianna Fail Party, France's Gaullists and the Danish Progressive Party in the European Parliament, announced after a two-day meeting here that early next week its directorate will serve notice on the European Court of Justice in Luxembourg that it is to ask for a ruling on the joint-responsibility levy imposed last September on EEC dairy farmers.

The EPD will base its case on claims that the levy is discriminatory in that it aims to reduce the level of the EEC's butter and powdered milk mountains, while intervention surpluses of wine, beef and wheat are not similarly treated. The EPD memorial will also cite fiscal irregularities and questions of accountability.

With the co-responsibility levy expected to raise £135m. by the end of its first year, the EPD is to argue that the Council of Ministers cannot legally enforce the levy under the terms of the Treaty of Rome.

But while the idea of contesting the levy is popular enough with the Irish whose dairy farmers pay 0.9p on every gallon of milk delivered to the creameries—it was recognised in Dublin to-night that the move is largely a political gambit inspired by the Gaullists, who dominate the EPD grouping. With France's March general elections looming, the Gaullists apparently expect to make valuable gains with France's large agricultural vote.

## No Sonoda accord

Mr. Sunao Sonoda, the Japanese Foreign Minister, prepared to leave Moscow yesterday after a four-day visit, having failed to reach agreement with the Soviet Union on the text of a joint communique because of differences over a group of Soviet - occupied islands off Japan's northern coast, writes David Satter in Moscow.

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# Kohl broadside opens provincial polls campaign

BY JONATHAN CARR — BONN, Jan. 11.

THE WEST GERMAN Christian Democrat (CDU) opposition leader, Dr. Helmut Kohl, to-day fired the first rounds in the campaign for four important provincial elections this year. His own political future, as well as the standing of the Government parties, depends in no small measure on the outcome.

At a news conference, Dr. Kohl hit out at the Government on three fronts. He said the Social Democrat (SPD)-Free Democrat (FDP) coalition had failed to take effective action against terrorism, had reacted weakly to East German pressures and had shown nonchalance about the recently publicised spying case at the Bonn Defence Ministry.

## Main themes

He said terrorism and "economic stagnation" would be among the main themes in the election campaigns, adding that he planned to play an active personal role in the battle just as he had for the federal elections in October, 1976. The CDU and its Bavarian sister party, the CSU, together gained 48.6 per cent. of the vote—a result which reflected credit on Dr. Kohl as the opposition candidate for the chancellorship, but nonetheless failed to bring the two parties to power.

Dr. Kohl's ebullient attack on Government strategy served partly to conceal the continuing differences between the Union parties, in particular between Dr. Kohl and the CSU leader, Herr Franz Josef Strauss.

Herr Strauss said yesterday that he felt the question of who should be the union's Chancellor candidate for the federal elections in 1980 could not be excluded from discussion this year, while Dr. Kohl said to-day that the CDU would not involve itself in the matter until next year.

More fundamentally, Dr. Kohl appears to believe that the FDP might still be tempted away from its alliance with the SPD. Herr Strauss evidently feels that only a policy of total opposition to both Government parties will bring the Union ultimate success.

Both theories will be tested in the State Parliament elections in which some 18m. voters will be involved. In October in Hesse, the local CDU leader, Herr Alfred Dregger—generally seen as on the right of his party—will be going all out for an absolute majority, thus displacing the existing SPD-FDP coalition. Such a victory would also alter the composition of the Bundesrat (the second chamber of the Federal Parliament), greatly to the opposition's advantage.

But in Lower Saxony, which has elections in June, the CDU is itself in coalition with the FDP and will be looking for vindication of its record from the voters. A success here would be widely seen as support for Dr. Kohl's strategy.

## Least doubt

Hamburg City-State voters are likely to confirm their existing SPD-FDP coalition in elections, also in June. The least doubt of all is attached to the result of October elections in Herr Strauss's home State of Bavaria. The CSU gained 62.1 per cent. of the vote in October, 1974, and the only outstanding question is whether this remarkable success can be improved.

Herr Strauss is also expected to take up the post of Prime Minister of Bavaria. But few really believe that this means he will desert the federal political stage, although some CDU leaders may privately hope that this might be so.

# The Der Spiegel affair: How East Germans view the row

BY LESLIE COLITT IN EAST BERLIN

VIEWING the evening news on East German television these days leaves the impression that the cold war has re-opened. A stern-looking woman-newscaster reads verbatim from an East German government news agency report:

"Ambassador Dr. Michael Kohl, head of the permanent representation of the DDR (East Germany) in the BRD (West Germany) to-day officially protested in the Federal Chancellery of the BRD against the latest contrived work of Der Spiegel slandering the DDR. He emphatically referred to the negative influence of the publication on relations between the DDR and the BRD."

She is followed by a special commentator with a film report on the U.S. Central Intelligence Agency and the Press. He quotes from the New York Times's disclosures about the CIA and its efforts to manage the media, and notes that in West Germany there is the "same co-operation between the secret service and the media. This political mafia will commit any crime . . . including the massive falsification of documents."

East German television has turned on the propaganda full blast since the publication in the West German news-magazine Der Spiegel of a manifesto, said to be from a Euro-communist and anti-Soviet opposition movement in East Germany calling itself the Federation of Democratic Communists of Germany.

As usual, the problem for the East German leadership is not any real opposition group but the fact that East German television sets are not tuned to East German TV, but to West Germany's two television channels.

Twenty-eight years after the founding of their State, East Germans are still informed largely by West Germany's electronic media, a situation unparalelled in any other communist country. As one East German writer explains it: "No-one here believes anything, especially about their own country, until it's reported by West German radio and television." One reason for the near monopoly on credibility which the West German media enjoy in East Germany is the East German Press itself.

"Either it deals only with machinery and plans," notes one East German journalist in East Berlin, "or it lashes out at the West Germans in language that is incomprehensible to anyone who has not been previously informed by the West German press."

The Spiegel reports of an organised opposition in the upper echelons of the ruling Communist Party illustrate the impact of the West German press in East Germany. After the magazine had given advance copies to the news agencies, it was used as the first item on West German television's evening news. At first, there were few reservations about the story's accuracy. Direct reports from the West German TV correspondents in East Berlin left viewers with the impression that the account in Der Spiegel must be true.

East German viewers in particular were perfectly ready to believe that an opposition Communist movement had suddenly cropped up within their leadership. That was the result of being kept totally ignorant about what actually does take place at higher party and Government levels in East Germany.

East Germans, including prominent intellectuals who protested against the Party's expulsion of the political poet, Wolf Biermann, to West Germany, say they have never heard of the East German opposition group referred to by Der Spiegel. They do not, however, rule out the possibility of an East German party member venting his disgust with the system in an unsigned manifesto sent to the West German news magazine.

The document itself is sprinkled with Maoist-like terms, such as the "two imperialist super-powers, the U.S. and the Soviet Union," as well as "Red imperialism" and the "neo-Facist type Soviet rulers." It also contains sentiments which hark back to the divided Germany of the 1950s. The supposed manifesto calls for the withdrawal of American forces from Western Europe and of Soviet troops from East Germany. Both Germanys would leave their respective military alliances and Germany would then be demilitarised, with the United Nations Security Council guaranteeing its neutrality. Steps would then be taken towards the "reunification of Germany."

This week's second instalment deals with corruption and nepotism, said to be rampant in the top layers of East German Communist leadership. In fact, corruption does exist on every level of East German society. Non-party members attempt to gain by bribery some of the privileges which are automatically bestowed on higher level party functionaries. By comparison with other Communist countries, though, East Germany's Prussian-style regime comes out as a moral paragon.

As for opposition in East Germany, in spite of constant complaints about not being able to travel to the West and the high price of consumer goods, East Germans in favour of a re-united Germany are rarely encountered, even in the unlikely event that it would be blessed by the Soviets and the Western powers. Disparaging remarks about the Soviets are often heard because East Germans feel they are bearing the brunt of Moscow's increase of the price of raw materials.

Suggestions that the entire manifesto may have been manufactured by the East German Ministry for State Security are not very plausible. East Germany had other ways of getting rid of Der Spiegel's correspondent in East Berlin without first exposing its people to a heavy dose of commentary from West German radio and television about an alleged opposition movement in the country.

s The manifesto in Der Spiegel has come as East Germany's leadership has been accusing the West German press of "poisoning" the atmosphere between East and West Germany. West German correspondents, reporting from East Germany to a vast and receptive audience inside the country, are a major headache to the East German leaders at any time and particularly now when the country is going through a trying economic period.

East Germany has accused Der Spiegel and a West German correspondent in East Berlin of having links with the West German intelligence agency and has closed the bureau of Der Spiegel for "slandering" the DDR and its "leading personalities." One of the West German correspondents accused of espionage ties, Herr Dirk Sager, of West Germany's second television channel, has simply allowed East Germans to describe the reality of their lives in his programmes and greatly increased the impact on viewers, especially those inside East Germany. The blunt message from the East German leadership to the population is to stay clear of West German correspondents if one doesn't want to get in trouble.

## BONN SEEKS TO AVOID A BREACH

THE WEST German Government pledged yesterday it would not be deflected from efforts to improve relations with East Germany, despite closure by East Berlin authorities of the office there of Der Spiegel, writes Jonathan Carr in Bonn.

The announcement came after a Cabinet meeting during which the Minister of State at the Chancellery, Herr Hans Juergen Wischnewski, reported on his talks last night with East Berlin's representative in Bonn, Herr Michael Kohl.

Herr Wischnewski protested strongly about the closure and urged that the decision be rescinded. Bonn feels the action, taken because Spiegel has been publishing a manifesto by an alleged East German dissident group, is against the understanding on reporting reached between the two States in 1972.

At the same time, Herr Wischnewski underlined Bonn's continuing interest in avoiding a serious deterioration of ties with East Berlin. This means no retaliatory action against East German correspondents in West Germany and continuation of the series of talks improving of contacts between the two sides.

The Government feels there is nothing to be gained by cutting back contact with the East Germans. On the contrary, Bonn may be able to use some of the economic leverage available in its technical talks with East Berlin, to prise a more forthcoming attitude from the East Germans in other areas.

This latest problem in East-West ties has come at a time when Bonn has made one advance elsewhere on the ostpolitik front, and is seeking another. During his new year visit to Bucharest, Chancellor Helmut Schmidt was able to gain agreement that 11,000 ethnic Germans in Romania will be allowed to resettle in the Federal Republic each year. And to-day a delegation is off to Prague to attempt to revitalise Bonn's flagging relations with Czechoslovakia.

# Swiss tourist industry wants Government help

BY JOHN WICKS — ZURICH, Jan. 11.

HE Swiss tourist industry has lled on the Government to prode foreign-exchange support is winter and in the 1978 mmer season. Immediate tion by the Government has en demanded by the Swiss otel Association from the deral Council and the National nk to guarantee certain nimum exchange rates for penditure in Switzerland by reign tourists. As possible amples of the minimum rates, e association gives levels of least Sw.Frs.2.20 per dollar d Swiss-franc parity with the ark.

There is no indication as to actly how such a guarantee uld be made. The Hotel sociation foresees "guarantee asures" for what it calls thenticated tourist spending en exchange rates lie below arranged minima.

The government and the national bank are very unlikely to act on the demands, both because exchange rates are currently well below what are seen as typical minimum rates —the dollar, for example, was to-day below Sw.Frs.1.98 and the mark under 94 centimes—and since the sort of guarantee envisaged could prove tantamount to a splitting of the Swiss-franc rate — the authorities have repeatedly stated that they could not countenance this.

In Swiss tourist circles themselves there seems no firm idea of how hotel-keepers could obtain the same sort of exchange-rate guarantee as is provided to manufacturing industry by the export risk insurance scheme. There is, however, considerable concern at the sharp rise in the Swiss-franc rate and in the fact that foreign travel agents are declining to enter into Swiss-franc contracts.

# Central bank talks 'constructive'

BY OUR OWN CORRESPONDENT — ZURICH, Jan. 11.

E LATEST round of central k talks at the Bank of International Settlements (BIS) headquarters in Basle were "harmonious and very constructive l led to progress being made," ording to Dr. Fritz Leutwiler, sident of the Swiss National k. He categorically denied orts that the BIS talks had n a failure with regard to the ar problem.

ll participants welcomed the asures already taken to imve the currency situation, Dr. twiler said. Statements by U.S. delegation, in particular, shown that the U.S. like r countries, realised the ity of the situation and was not prepared to let the matter drift.

A further weakening of the dollar — such as took place on the Zurich foreign exchange market to-day — was irrational, he said. It was incompatible with the fact, established at the BIS and elsewhere, that the U.S. showed the most favourable economic development of any industrial country. This meant that the U.S had the best short and long-term prospects, while the situation in hard-currency countries was deteriorating, primarily as a result of revaluation. Forecasts for the future development of these countries would have to be adjusted downwards, he said.

AMERICAN NEWS

# U.S. jobless rate lowest since 1974-75 recession

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Jan. 11.

THE U.S. unemployment rate fell sharply by 0.5 per cent. last month to 6.4 per cent., its lowest level since the start of the 1974-75 requirements.

The decline in the jobless corresponded with another sizeable increase in total employment. In December 58 per cent. of the population were working, the highest figure ever.

Over the calendar year 1977, total employment increased by 4.1m., the biggest annual gain since World War II. In 1977, about 3m. people entered the labour force, thus bringing a net numerical decline in unemployment of 1.1m.

The December figures do bear out some of the more optimistic predictions earlier last year of the then new Carter Administration. In January last year unemployment dropped to 7.3 per cent. from 7.8 per cent. in December, 1976, prompting forecasts that by the end of the year the rate could well be below 6.5 per cent.

However, from the spring until last November, unemployment stuck stubbornly in the 7 per cent. range, in spite of the creation of a considerable number of new jobs.

A revision of the seasonal adjustment procedures issued by the Labour Department to-day shows that unemployment was actually somewhat, though not appreciably, lower than the monthly, adjusted figures had indicated. In November, for example, the Department now calculates that the rate was 6.7 per cent., 0.2 per cent. under the original estimate.

While the Administration can clearly take some satisfaction from the improvement in one of the country's most nagging problems, it is unlikely to get carried away with euphoria.

In both of the last two years, the winter months have produced sharp falls in unemployment, which subsequently petered out, although in both 1976 and 1977, as the recovery from the recession proceeded, employment rose appreciably.

**The U.S. economy grew at a real rate of about 4 per cent. annually in the final quarter of last year, according to rough estimates released by the Commerce Department, our U.S. Editor writes. In the course of Congressional testimony, the Department's chief economist, Mrs. Courtenay Slater, noted that this represented a progressive quarterly decline from the 7.5 per cent. advance recorded in the first three months of 1977. However, she characterised the year as a whole as one of solid, well-balanced growth, with GNP having risen from fourth quarter 1976 to fourth quarter 1977 by about 5½ per cent.**

It would be unwise, therefore, to assume that, on the evidence of one month's figures, the Administration may decide significantly to pare down its planned $25bn. in stimulatory tax cuts—much as it dropped last spring its planned $50 per person tax rebate when it appeared the economy was expanding vigorously under its own steam.

There are many other weighty factors at work—not the least the need to establish a consistent economic policy and the desirability of restoring the confidence of the business community—that would militate against any sudden change now in previously announced plans.

Moreover, in spite of the improvement in the unemployment picture last month, certain structural weaknesses remain very apparent. Although nearly all the democraphic, occupational and industrial sectors showed reduced unemployment, some of the numbers are still high.

The unemployment rate for blacks, for example, though down by 1.5 per cent. in the month, stood at 12.5 per cent., that for black teenagers was even worse at 37.3 per cent. While down from November's 39 per cent., it was higher than the 34.8 per cent. of December, 1976, and the Department was obliged to note that "no downtrend" was evident in the unemployment rate for black teenagers or women.

# Fukuda seeks trade summit

*By Our Own Correspondent*

WASHINGTON Jan. 11.

A U.S. decision on whether or not to accept Japanese Prime Minister Mr. Takeo Fukuda's summit proposal will almost certainly depend on the advice of Mr. Robert Strauss, the U.S. Special Trade Representative, at the conclusion of his negotiations with the Japanese in Tokyo this week.

It was announced in Tokyo to-day that Mr. Fukuda requested a summit meeting with President Carter a week ago.

It is acknowledged in Washington that the present policy towards Japan is fraught with some dangers. While the intent is to exert maximum pressure on the trade and economics front, the U.S. is aware that there may be a fine line which, if crossed, could result in an aggressive American approach proving to be counter-productive.

On his departure for Tokyo yesterday, Mr. Strauss was at some pains to take some of the potential heat out of the suggestion that Japan and the U.S. were embarked on a confrontation course in the economic and trade field.

More generally, the White House has been suggesting since President Carter's return from his foreign tour last week that what had been construed by some as a rather frenetic Presidential approach to foreign policy last year was to be avoided in 1978.

Specifically, the intention is for the President to receive fewer foreign Heads of State in Washington.

But such an approach would clearly allow for flexibility and could easily accommodate a meeting with a significant foreign leader such as Mr. Fukuda.

UPI adds from Tokyo: Chief Cabinet Secretary Mr. Shintaro Abe said Mr. Fukuda's request for a meeting with Mr. Carter was conveyed to the U.S. Government about a week ago by Mr. Fumihiko Togo, the Japanese Ambassador to the U.S.

Though Japan has made concessions to allow increased imports of U.S. farm products, Mr. Fukuda has been under pressure from his own farmers not to give in to American demands.

But with the U.S. plainly unhappy, Mr. Fukuda is expected to present his country's case directly to Mr. Carter in an effort to diffuse protectionist sentiment in the U.S.

# Query on safety of Concorde

BY JOHN WYLES NEW YORK, Jan. 11.

MANUFACTURERS of Concorde are facing the task of convincing the Federal Aviation Administration (FAA) that its hydraulic systems comply with U.S. safety regulations.

Although Concorde has satisfied most FAA standards, the agency has raised questions about the adequacy of the aircraft's hydraulics which will have to be settled before it can be certified. Without a certificate Concorde cannot be operated by a domestic U.S. airline. Its use by Air France, British Airways and any other foreign carrier would be unaffected.

At present, only one U.S. carrier, Braniff Airlines, has announced any plans to use the aircraft. Braniff wants to lease it to operate on a New York-Dallas route.

It is understood that the FAA's reservations apply to the lack of back-up devices to compensate for any possible failures in the aircraft's hydraulic system. Any defect could result in a loss of control.

A spokesman for British Aerospace in Washington said to-day that the French, British and American aircraft certification authorities each apply equivalent safety standards but that the FAA tended to have a different approach to certain matters. In winning French and British certification the Concorde had been through the most extensive test programme of any aircraft. "We are quite confident of the integrity of the aircraft, but we have to demonstrate to the FAA that there is a level of safety equivalent to its standards," the spokesman said.

The manufacturers are certain they can demonstrate the possibility of a hydraulic system failure is no more than one in a billion and that there is no real threat to the chances of U.S. certification for Concorde. The FAA has not suggested this publicly and there are indications that it expects to issue a certificate by about April provided the hydraulic systems question is settled.

# Coal strike violence increases

BY STEWART FLEMING NEW YORK, Jan. 11.

THE U.S. coal strike, which has made idle 160,000 members of the United Mine Workers (UMW) union, has moved into its sixth week amid reports of mounting violence in the coal fields.

Last week a retired miner was shot to death by a company guard at Prestonburg, Kentucky. Although the shooting was in part a reflection of a feud between the two men going back several years, it has served to inflame miners and to increase tension in the area.

Earlier in the week at Rockport, Indiana, 194 men identified by the Indiana police as striking miners were arrested after a dynamite and incendiary attack on a loading pier in the Ohio river handling non-union coal. The attack resulted in several hundred thousand dollars' worth of damage.

Bored and frustrated miners in the district of Charleston, West Virginia, one of the most militant union districts and one where the mines are solidly unionised, have been planning to send pickets to non-union mines in neighbouring Eastern Kentucky. Severe weather has so far halted the expeditions, according to local reports.

Tension in the mining districts, especially in Kentucky where the union probably represents less than a third of the miners, has been increased by the miners' growing bitterness at non-union coal production. UMW members produce less than half the nation's coal each year.

The strike began on December 6 and major industries relying on coal have shown little sign of having been disrupted. This is a result of the high stocks built up in preparation for the strike and continued supplies from pits which are still operating.

Signs have also appeared of mounting distrust between local union leaders and the leadership at the headquarters in Washington. On December 30 the coal companies walked out of negotiations with the union when, under pressure from local leaders, the UMW backed away from a prospective agreement. This agreement would have included financial penalties against miners who went on unofficial strike, a proposal which has incensed mine leaders in the field.

Since then no negotiations have taken place between the two sides, although federal mediators have been attempting daily to bring the two sides together. The complete breakdown of discussions is causing concern for it is feared that the longer the dispute goes on the more entrenched the positions of the two sides will become.

Some observers suggest that the dispute is now entering a critical phase. Unless progress is made towards a settlement over the next week or ten days the miners may still be out on February 1, when pension payments to retired miners end because the pension fund will have run out of funds. About 81,000 retired miners have been drawing pensions of $250 a month recently.

Already miners have had their health benefits cut, and it is feared that if pension benefits run out the strike could become self-sustaining with miners demanding social justice as well as increased pay.

# Major new anti-smoking campaign

WASHINGTON, Jan. 11.

HEALTH, Education and Welfare (HEW) Secretary Joseph Califano to-day announced a major new Government campaign to persuade Americans to stop smoking.

The announcement came on the 16th anniversary of the report by the U.S. Surgeon General which first gave widespread attention to the link between smoking and health problems such as cancer. Research since the 1964 report "has proven that smoking is even more dangerous than we originally believed," Mr. Califano said in a speech prepared for the National Interagency Council on Smoking and Health.

He accused the tobacco industry of spending "half a billion dollars a year trying to lure Americans into smoking. The most pernicious aspect of that advertising is the effect it has on children," Mr. Califano said that an HEW study of a large urban area of the west coast determined that at age 11, one out of 20 children smoke.

The new programme involves public education, regulation and research. Mr. Califano added that his agency has the "strongest smoking policy in government" and outlined several smoking restrictions for HEW workers. He said that separate work areas will be provided, within practical limits, for smokers and non-smokers.

A task force will study possible incentives for non-smoking, including an increase in federal cigarette taxes and a graduated tax—based on nicotine, tar and carbon monoxide content-UPI.

# Ford raises car prices

BY OUR OWN CORRESPONDENT NEW YORK, Jan. 11.

FORD HAS followed General Motors in raising the prices of its small cars in the wake of increases in rival imported models because of currency adjustments.

Both manufacturers had shaved their small car prices and included certain extras as standard equipment at the start of the 1978 model year in a bid to halt import gains in the small car market.

Now that prices of imported vehicles have been forced to respond to the slide in the value of the dollar, Ford and General Motors have been given some margin within which to improve the very small rate of profitability on their small cars.

Ford's price announcement covers three of its small car lines which will now cost an average of 2.5 per cent. more. In addition, the company has raised the price of its German-built "captive import," the Fiesta, by $159 of 4.2 per cent.

● More than 200,000 Volkswagen models sold in the U.S. are being recalled to rectify possible faults in accelerator cables and steering mechanisms.

# Argentine forces on war footing

BY ROBERT LINDLEY BUENOS AIRES, Jan. 11.

THE ARGENTINE armed forces have gone on a war footing as a result of tension with Chile over the Beagle Channel near Cape Horn.

Before boarding the aircraft-carrier "25 de Mayo" off Bahia Blanca in southern Buenos Aires Province yesterday, to accompany the fleet on battle manoeuvres in the disputed area, Admiral Eduardo Massera, the naval chief and a member of the ruling military junta, said that the navy was "ready for action."

Maj.-Gen. Jose Vaquero, commander of the Fifth Army Corps, which is headquartered at Bahia Blanca and is the corps which has jurisdiction in all southern Argentina, simultaneously began an inspection tour of the units under his command.

A Fifth Army Corps communique said that the forces were well-equipped and the troops in top operational form. The President, army Lt.-Gen. Jorge Videla, who is on the active list and also a junta member, will almost certainly cut short his summer holidays in the Andes and return to Buenos Aires to-morrow.

One reason for this might be that he wants to install army Maj.-Gen. Carlos Laidlaw as the new Planning Minister — a post held on an interim basis by Maj.-Gen. Albano Harguindeguy, the Interior Minister. The holder of the Planning portfolio is the minister who acts as President when Gen. Videla is out of the country, and a meeting between Gen. Videla and the Chilean President, Gen. Augusto Pinochet, on the Beagle Channel dispute is a possibility.

The foreign ministers of the two countries — Rear-Admirals Patricio Carvajal of Chile and Oscar Montes of Argentina, failed to reach a solution to the dispute in their talks here between Christmas and New Year's day. A Presidential summit is seen as the only remaining recourse before February 2, the deadline for Argentina to declare whether it accepts or rejects the British crown's arbitration on the border dispute.

Already it is known that Argentina will reject the arbitration, not because it gives three islets—Picton, Lennox and Nueva—to Chile, but because the decision allegedly leaves undecided which country has sovereignty over other islands east of the Cape Horn meridian.

# Bolivian army alerted

LA PAZ, Jan. 11.

THE BOLIVIAN military government has placed the armed forces, police and civil guards on red alert, saying that subversive elements are trying to prevent a return to democracy.

The order was given in view of "the obvious subversion conducted by extremists" with the clear object of preventing general elections scheduled here for July, according to a statement by the Armed Forces Command.

The President, General Hugo Banzer, hinted on Sunday that the election, which would end seven years of military rule in Bolivia, might be cancelled if agitation for political reforms continued.

Labour and civil rights sources have claimed that about 500 people were taking part in hunger strikes to back demands for a general political amnesty, the re-hiring of workers sacked for trade union activities and the withdrawal of troops who have been occupying the tin mines since 1976. They said that the protest, started by a handful of people at the end of last year, appeared to be increasing.

Reuter

# Rowlands has one-day talks with Vance

By Hugh O'Shaughnessy

MR. TED ROWLANDS, British Minister of State at the Foreign Office, yesterday made a one-day trip to Washington for talks with Mr. Cyrus Vance, the U.S. Secretary of State. He was due to return to London later to-day. Foreign Office spokesmen said that the topics touched on in the talks could have included Belize, the Falkland Islands, tension between Chile and Argentina, and recent developments in southern Africa.

According to Whitehall sources Dr. David Owen, the Foreign Secretary, who is to return to London to-day, will be giving further study to the question of the shipment of £850,000 worth of British arms for El Salvador, a deal with his been criticised by members of all the main parties at Westminster.

The sources added that the shipment will not sail from Britain until next month, and hinted that there was therefore time to reverse the decision to sell, in the light of the condition of human rights in the Central American republic and the danger that the weapons could be used in support of a possible Guatemalan invasion of Belize.

OVERSEAS NEWS

# Israel, Egypt military committee sessions open

BY ROGER MATTHEWS CAIRO, Jan. 11.

THE JOINT Egyptian-Israeli military committee held its opening session here this evening with two issues dominating the agenda—the phased withdrawal of Israel from occupied Sinai, and the future of Jewish settlements on Egyptian land.

Mr. Ezer Weizman, the Israeli Defence Minister, flew in at the head of his delegation early this morning and then went on almost immediately to Aswan in Upper Egypt where he had a 50-minute meeting with President Anwar Sadat. He was accompanied by General Gamassy, Egypt's War Minister, who will lead his delegation at the talks.

The Military Committee was formed following the Christmas talks between Mr. Sadat and Mr. Menachem Begin, the Israeli Premier. It was designed to hammer out the details of military arrangements in Sinai, and is supposed to complement the work of the political committee, which meets for the first time in Jerusalem next week

Egypt asked for the date of the first military committee session to be advanced, following evidence that Israel was planning to extend its existing settlements in Sinai. Mr. Sadat has insisted that all Egyptian territory must be returned, and was angered by Mr. Begin's insistence that the settlements had to remain.

However, he also believes that moves to expand the settlements are a bargaining tactic and said last night that it was futile to be drawn into a public exchange of statements.

Mr. Sadat has been impressed by Mr. Weizman during their three previous meetings, and their talks to-day were obviously aimed at dealing with the settlements issue as quickly as possible so that the military committee could concentrate on all the aspects of Israeli withdrawal from Sinai.

The Egyptian proposals are for withdrawal to be accomplished by stages in about 18 months while Israel is understood to be suggesting a period of at least five years.

Withdrawal would be accompanied by the establishment of demilitarised zones, a continued United Nations presence, sophisticated devices for monitoring movements in Sinai, and a range of international guarantees that will be asked for in the coming months.

Both sides went into the negotiations accompanied by detailed maps and a comprehensive set of proposals. Mr. Weizman said on arrival in Cairo that he had to be optimistic about the outcome of the talks, whereas General Gamassy said that he was neither optimistic nor pessimistic.

No statement was issued after the talks between President Sadat and Mr. Weizman, which were also attended by Mr. Hosny Mubarak, the Egyptian Vice President, who had flown to Aswan accompanied by Mr. Hermann Eilts, the U.S. ambassador.

The Egyptian team will also be using the military committee to try to asess what the prospects are for significant Israeli concessions in the more important political committee in which it is intended that the thorny issue of the Palestinians will be discussed.

Mr. Mohammed Gamassy (right), the Egyptian War Minister, greets Mr. Ezer Weizmann, the Israeli Defence Minister, prior to the joint military committee meeting.

# Dead Sea canal project

BY L. DANIEL JERUSALEM, Jan. 11.

PROF. YUVAL NE'EMAN has been appointed by the Israeli Government to head a committee to study all aspects of the proposed Mediterranean-Dead Sea canal.

So far, two possibilities have been explored. The first is a canal from the Mediterranean somewhere near Ashdod, in central Israel, to cross the Judean Hills and end in the Dead Sea.

The second possibility would be a longer canal from the vicinity of Haifa, in northern Israel, which would link up with the Jordan River (which flows into the Dead Sea) just south of Beith Sha'an.

Both projects envisage the utilisation of height differentials for the generation of Hydro-electric power (100-200 MW) and the possibility of using the sea water for cooling an atomic power station not located on the shores of the Mediterranean.

Another purpose is to maintain the rapidly falling level of the Dead Sea which is being starved of water by the utilisation of the Jordan river by Israeli agricultural settlements and by the diversion of the Yarmuh (one of the main tributaries of the Jordan) on the Jordanian side.

# Japan plans exchange rules probe

**Prime Minister Takeo Fukuda said yesterday the Japanese Government plans to consider a full scale revision of foreign exchange controls, to make freedom the rule and controls exceptions, Reuter reported from Osaka.**

**Such a change will be symbolic of Japan's movement to an open-system economy, he said.**

## PM in Pakistan

**Prime Minister James Callaghan arrived in Rawalpindi yesterday on the third leg of his 10-day tour of South Asia, Reuter reported from Rawalpindi. He is scheduled to have two hours of talks to-day with General Mohammad Zia-ul-Haq, Pakistan's military leader.**

## S. Africa arms

**South Africa has no intention of halting the manufacture under licence of foreign weapons even if these licences are withdrawn, Commandant Pieter Marais, chairman of the South African Armaments Manufacturing Corporation, said yesterday, UPI reported from Cape Town.**

## Namibia talks

**Mr. Pik Botha, the South African Minister, said yesterday he could not attend planned New York talks on the future of Namibia if the five Western powers postponed them till the end of the month, Reuter reported from Pretoria. Instead he invited the five, Britain, France, the U.S., West Germany and Canada, to come to South Africa for talks before then or send their promised "comprehensive proposals" to South Africa.**

## Students injured

**Anti-riot troops used clubs to break up a student meeting at a university campus in East Java, injuring several students, a student spokesman said yesterday, Reuter reported from Jakarta. The students were holding a meeting to mark the fall of the Government of late President Sukarno in 1967.**



# Vietnam, Thailand sign pacts

BY RICHARD NATIONS BANGKOK, Jan. 11.

THE VIETNAMESE trade delegation in South-East Asia chalked up another score here to-day in its current diplomatic offensive with two bilateral agreements signed with the Thais covering civil aviation and "trade, economic and technical co-operation."

This is the third such trade agreement signed by the Vietnamese delegation, headed by Nguyen Duy Trinh, the Vietnamese Foreign Minister, in its current four-nation regional tour to Indonesia, Malaysia, the Philippines and Thailand. Moreover, the air agreement is viewed here as a solid step in reopening to world aviation the vital "Tamber One" corridor over Vietnam between Bangkok and Hong Kong, two of the busiest airports in Asia.

For the time being the trade agreement is likely to be more symbolic than real. The Vietnamese will need to import up to 1.6m. tons of rice this year from a world market where only Thailand and the U.S. are reliable long term exporters. But bad weather has cut Thailand's 1978 projected exportable rice surplus to half of last year's, just enough to satisfy traditional customers.

The same may be said for cement and steel, two other items of Thai manufacture needed in Vietnamese reconstruction. Moreover, it is doubtful that Vietnam would have the foreign exchange to afford large imports from either Thailand or the other countries of the region, even if supplies were abundant.

The symbolism of these agreements is largely political, but all the more significant for that reason. No less than six months ago the mystique of Vietnam's war machine combined with Hanoi's aloof and often hostile diplomacy generated disquiet and apprehension throughout the non-socialist countries of South-East Asia, particularly Thailand.

Diplomats here comment that the trade agreements springing from the Trinh mission and the open hostilities between Vietnam and its Communist neighbour Cambodia have combined dramatically to reduce these past anxieties. Thailand is now receiving appeals for detente from both Hanoi and Phnom Penh in place of the harsh propaganda blasts of recent months.

General Kriangsak Chamanand, the Thai Premier, also gains something from these agreements; they fit with his commitment to reduce tension with Communist Indo-China, one of the main pledges of last October's military coup that brought him to power. Observers here also feel that these agreements promise to enhance Vietnam's credit rating with Western aid donors and investors.

# Diplomatic moves as border war eases

BY OUR OWN CORRESPONDENT BANGKOK, Jan. 11.

BOTH SIDES in the Cambodian-Vietnamese border war seem to be taking advantage of the current lull on the battlefield to shift the contest on to the diplomatic front.

The consensus of diplomatic opinion here is that the Vietnamese have achieved the first objective in a limited military operation by opening a corridor possibly the entire length of their common border and cutting all communications between the two countries.

Any drive by the Vietnamese to deepen this corridor would immediately transform the appearance of Vietnamese objectives from a limited border exercise to one of invasion, occupation and conquest, something few observers here think Phnom Penh's only real ally, Peking, would be prepared to tolerate.

Mr. Nguyen Duy Trinh, the Vietnamese Foreign Minister, is known to have put his case to the South-East Asian capitals during his current four-nation diplomatic tour.

The Vietnamese have also countered Cambodia's charges in the United Nations to-day with their own allegations that up to two battalions of Cambodian troops held portions of Vietnamese territory until last Friday.

Radio Phnom Penh has rebutted "Vietnam's monotonous . . . excuse of self-defence" in an editorial claiming that "never in history has a small country provoked a big country and committed aggression against it." Cambodia continues to publicise its charges of invasion by the Vietnamese while Hanoi has refused to admit that its "border operation" has actually intruded on Khmer territory.

# Sithole confident on talks

SALISBURY, Jan. 10.

THE RHODESIAN Government and black nationalist parties are still deadlocked over the question of white representation in Parliament when the black majority rules Rhodesia, a nationalist leader said to-day.

The Rev. Ndabaningi Sithole told a news conference, however, that he was sure the problem would be resolved and settlement talks would move on to the final major issue: the make-up of a national army for Zimbabwe.

The last plenary session of the talks took place on January 3, since when the heads of delegations have met privately three times in a bid to bridge the gap on white representation. They are due to meet again this afternoon.

Mr. Sithole said the nationalists are prepared to give the white minority 20 guaranteed seats in a 100-seat Parliament, but that the Government was insisting on 33.

He would not comment on published reports that the Government was now prepared to compromise by reducing its demand to 30 seats while the nationalists had raised their concession to 26 or 27.

Mr. Sithole added that the Patriotic Front—political spearhead of the guerilla forces based in Zambia and Mozambique—must participate in elections for a Zimbabwe Government. "If they refuse that's their affair."

Reuter

# Rhodesian race harmony drive is scrapped

SALISBURY, Jan. 11.

HARMONY, a white advertising campaign designed to improve race relations in Rhodesia, has died a slow death, its sponsors announced to-day.

Mr. Michael Hogg, head of the Salisbury advertising agency which launched the campaign last September, said it has been scrapped because of lack of support.

The campaign, backed by five major Rhodesian business organisations who put up R$25,000 (£25,000), appealed to white Rhodesians to "understand" their black neighbours.

Reuter

# Mrs. Gandhi—details of her defence

BY K. K. SHARMA NEW DELHI, Jan. 11.

MRS. GANDHI'S defiant statement yesterday—her first detailed defence of her decision to clamp an emergency on the country on June 25, 1975—was made in a courtroom packed by her political rivals, supporters, witnesses, counsels and scores of reporters.

Mrs. Gandhi made the statement as soon as the Commission's hearings began to-day. In it she disputed Mr. Shah's contention that there were no accused and no charges before the commission.

"I am the target," she said, adding that the object of the inquiry was to show that all policies and actions by politicians and officials during her emergency rule had been carried out at her behest. The Commision's terms of reference, she said, were directed at "excesses" of the "previous government which I had the honour to head."

The oath of secrecy taken by ministers, Mrs. Gandhi said, was etssential for the functioning of any government, and "I cannot do what is forbidden by the constitution." The Cabinet system of collective responsibility would "collapse" if the oath was violated.

This plea has been taken by some of her followers, but not by many of Mrs. Gandhi's former ministers, who have made statements about Cabinet proceedings when Mr. Shah assured them this did not amount to violation of their oath. It remains to be seen how many resort to this plea now that action has been taken against Mrs. Gandhi.

The former Prime Minister's justification for declaring an emergency was based on a series of acts of violence and civil disobedience from 1974 onwards. These included a statement by the present Home Minister, Mr. Charan Singh, to the Uttar Pradesh legislature in 1974, that "what we cannot achieve by ballots we will achieve by bullets."

She mentioned the assassination of her Railways Minister, Mr. L. N. Mishra, the violence in Bihar, the attempt on the life of the Chief Justice, the call to forces of law and order to revolt, and the threat by leaders like Mr. Morarji Desai and Mr. J. P. Narayan to march in procession to her residence "to paralyse my functioning as Prime Minister."

As Prime Minister, Mrs. Gandhi said, her assessment was that all this would lead to extensive violence, especially as this happened at a time of economic crisis.

"No government could view this with equanimity and certain hard decisions had to be taken," said Mrs. Gandhi. She pointed out that the Prime Minister had a special position, and every decision she had taken was "with the country's interests uppermost in mind."

Mrs. Gandhi clashed with Mr. Shah when she referred to the Supreme Court's decision in 1972 to declare as unconstitutional her nationalisation of the banks and suggested this was done because the judges owned shares in the banks.

Mr. Shah, who was then the Chief Justice, objected to her "imputation" and said he has never owned any shares, although he admitted that some of his "brother judges" did own them.

To-day's drama came after Mrs. Gandhi had split the Congress Party and started what she calls the "real Congress" in a bid both to enhance an political character in the charges against her before the Shah Commission and to present "effective opposition" to the Janata party. For the present her party does not command much support, and much of the Congress has remained with the parent group from which she has broken.

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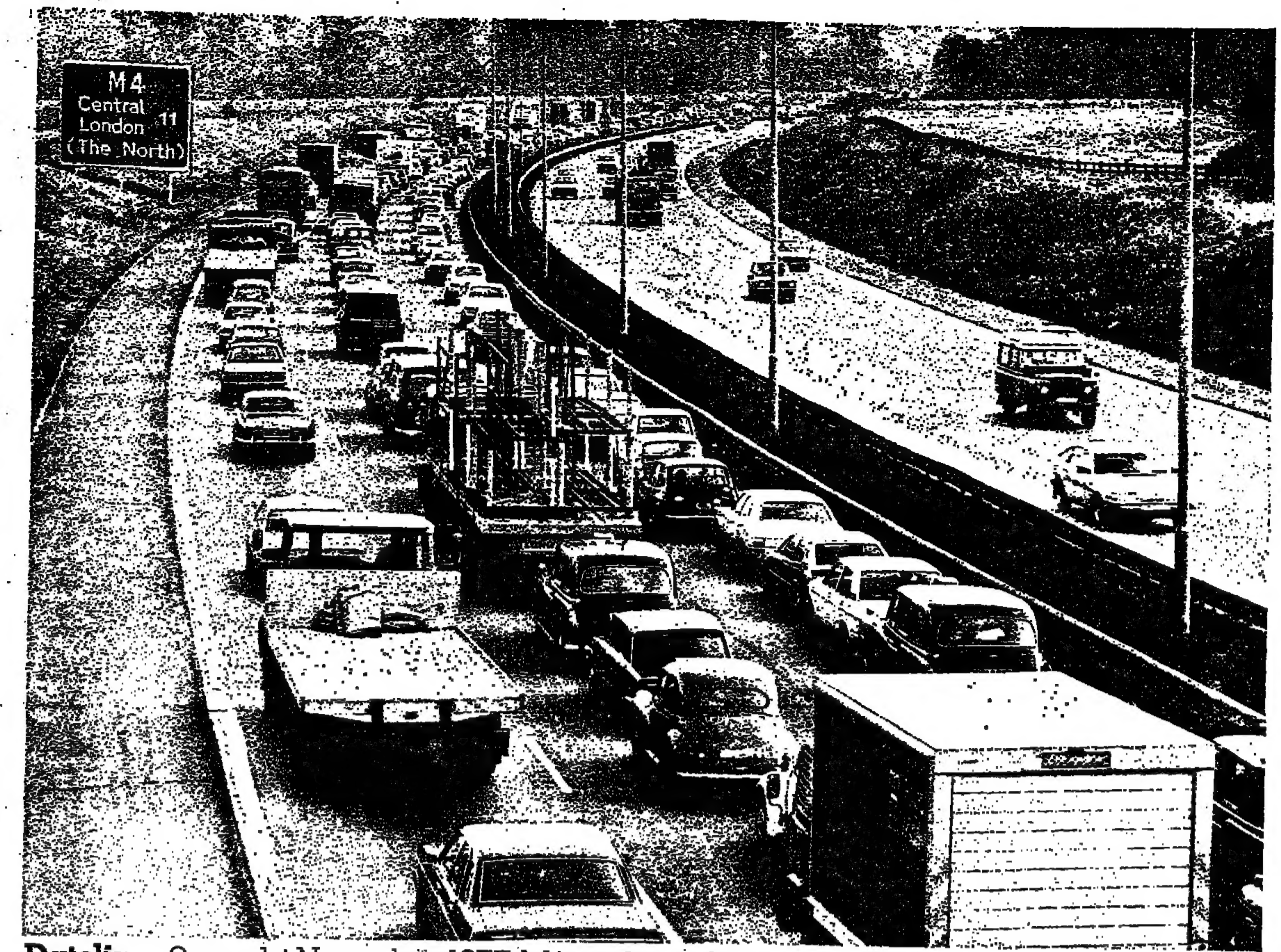
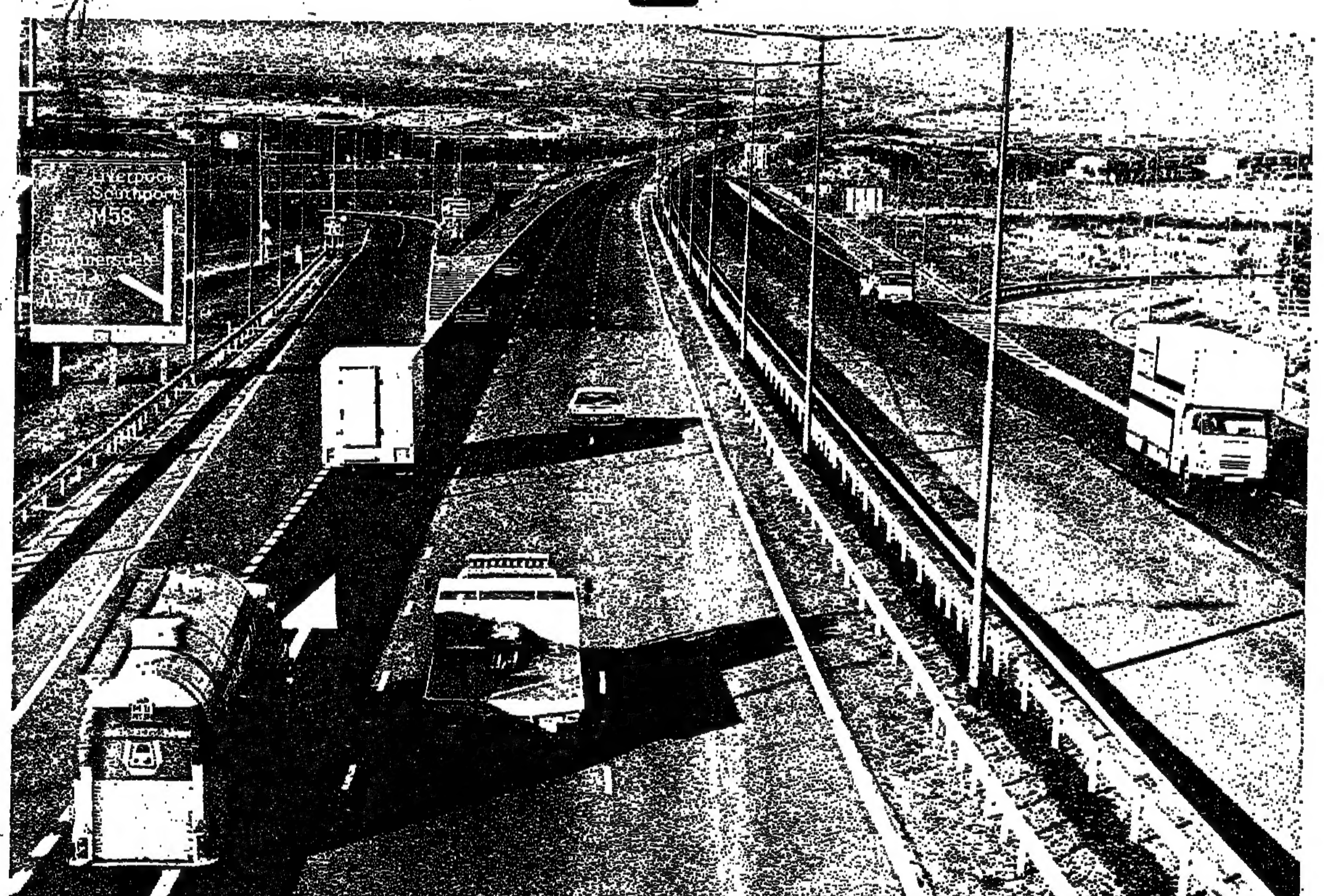



**Dateline:** 9 a.m. 1st November 1977. M4 outskirts of London

# Motorway madness



**Dateline:** 9 a.m. 1st November 1977. M58 Skelmersdale

Who would believe that so many people could spend so much time crawling on crowded motorways simply to spend the next seven hours in an overcrowded and highly polluted atmosphere? Especially when they could be enjoying life more and making more profit in an area where the third lane is still the fast lane and the byways are still not the highways. Shouldn't you be finding out about a healthier approach to industrial life? M4 or M58 the choice is yours.

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# WORLD TRADE NEWS

## Sanyo to make TV sets in Europe

TOKYO, Jan. 11.

JAPAN'S Sanyo Electric Company said to-day it planned to established a new company in Europe to manufacture colour television sets for the European market.

The company said negotiations were still in progress, and refused to give details of the probable location or production levels.

The measure was designed to cope with the yen's recent appreciation against the dollar, which made exports from Japan more expensive, and increased domestic wage and material costs, the company said.

Sanyo, which makes about 2m. sets a year in Japan, said the European move was also part of a programme to expand overseas production of colour televisions and electronic goods, such as audio systems to one-third of its overall output from 20 per cent.

### Import promotion

TOKYO, Jan. 11.

THE semi-official Japan External Trade Organisation (JETRO) announced plans to promote imports from industrialised countries and developing countries.

The plans include posting task forces probably in New York and London in fiscal 1978 to act as a market research consulting service. It will set up an office in Japan to brief foreign businessmen on Japanese trade policy.
Reuter

### Hitachi in Mexico

TOKYO, Jan. 11.

Hitachi has agreed to set up a joint venture in Mexico to manufacture and sell large electric motors.

A new concern, Megatek SA, will be capitalised at Y2bn. and be held 51 per cent. by the Group Industrial Alfa SA and 49 per cent. by Hitachi.

The company will employ about 250 workers and start production in December.
AP-DJ

### Airport to open

NARITA, Jan. 11.

Seven years after initially scheduled, Japan's new international airport at Narita may soon open, officials say. With more than $1bn. spent in construction costs, officials have set March 31, 1978, for the opening of the airport about 40 miles north-east of Tokyo.
AP-DJ

## U.K. strikes 'aid Japan's car sales'

BY DOUGLAS RAMSEY

TOKYO, Jan. 11.

JAPANESE car exporters sold over 20 per cent. more cars to Britain in 1977 and took a bigger share of the U.K. market than ever before, but they deny criticism in British motor industry circles that Japan's success in 1977 was achieved at the expense of a prior "understanding" that Japan would not sell many more cars in the U.K. than they had the year before.

On the contrary, the car makers put blame for their increased share on the strikes in the British car industry which "forced" British customers to turn to foreign suppliers, notably in August and September.

Officials of the Japan Automobile Manufacturers Association (JAMA) and Britain's Society of Motor Manufacturers and Traders (SMMT) agreed in a joint communique, coincidentally last September, that there would be "no possibility of any significant rise in the share of Japanese made cars in the U.K. this year."

In fact, Japanese models have taken 10.6 per cent. of new U.K. regstrations in 1977, substantially higher than the 9.4 per cent. share recorded in 1976.

Japanese vehicle exports to Britain jumped by over 20 per cent. in 1977 although December export figures are not yet available. Between January and November, Japanese makers sent 159,774 vehicles (including trucks) to the U.K. That compares with a total of 134,800 cars exported to Britain in 1976 and 122,800 in 1975.

Have the Japanese car companies, then, been guilty of duplicity in their talks with British industry and Government? The Japanese view, naturally, is not—for several reasons.

First, there is no official agreement voluntarily to curb car exports to Britain. "We have no agreement," according to one car company executive, and strictly speaking that is true. Neither the SMMT nor JAMA has wanted to write an orderly marketing agreement which might then expose both sides to anti-trust scrutiny in the EEC as well as the U.S.

Instead, both sides agreed in 1976 to "forecast" the level of Japanese exports to the U.K. British officials feel that this forecast amounted to an undertaking not to greatly boost Japan's share of the U.K. market.

This was largely the case in 1976, and the SMMT was expecting a similar outcome in 1977 since Japanese makers agreed (repeatedly) to forecast that no significant rise would take place.

Second, Japan has never talked of limiting its car sales in the U.K. to 10 per cent. of the market. British officials have come away from talks with Jama with the Notion that in 1977 Japanese exporters would actively keep sales from pushing Japanese model registrations beyond the 10 per cent. mark.

According to one official at Nissan, makers of Datsun cars (largest Japanese seller in Britain), the figure 10 per cent. was at no point discussed either formally or informally with SMMT.

Third, Japanese car makers blame strikes in Britain for the higher share of registrations in 1977. They insist that during most of 1977 their penetration of the U.K. market remained at or below the 1976 levels.

They point out that between January and July, the average monthly share of U.K. registrations taken by Japanese models was 9.4 per cent., just as it had been the year before.

After a high level of registrations in August (14.2 per cent.), September (14.6 per cent.) and October (11.4 per cent.), they say, Japan's share fell back to 9.8 per cent. in November.

Moreover, Japanese exporters see no reason to apologise for the higher level of sales in August and September because they were induced by the non-availability of domestically-produced passenger cars during a wave of strikes which hit the British car industry and inflated demand for foreign cars.

"We don't like to blame the strikes," says one Japanese official, "but we had to satisfy our customers."

Fourth, prices of Japanese cars have been raised several times in the U.K. market since the yen's appreciation on international currency markets began in early 1977. These price increases, according to industry sources, have begun to hurt sales of Japanese cars in Britain.

While the Japanese arguments are at times persuasive, the reasoning is sometimes specious. In particular, although no agreement has been signed or sealed between JAMA and SMMT, the British side has come away from several meetings assured (perhaps wrongly) of the Japanese car makers' goodwill.

If in securing close to an 11 per cent. share of U.K. registrations the Japanese lose the trust of the SMMT, it might well signal more open protective action on the part of the British Government to stem imports at the SMMT's urging.

Any protective action by London would, in fact, be a poor alternative to the more flexible arrangement arrived at between the SMMT and JAMA. Above all, the understandings in 1976 and 1977 allowed Japanese exporters to increase exports in line with the rise in British car purchases.

As a result, despite this mild restraint, exports to the U.K. went up 9.7 per cent. in 1976 and, perhaps, over 20 per cent. in 1977. That is as good a performance as on the American market, so it is not the sort of built-in increase which Japanese makers would like to lose.

## Pakistan tractor plant

BY IQBAL MIRZA

KARACHI, Jan. 11.

A TEAM from the Canada-based tractor manufacturer Massey Ferguson is expected to arrive here later this month to finalise the rupees 1bn. (about £53.2m.) joint venture project to produce tractors in Pakistan.

The project, which envisages production of 10,000 units at maximum capacity, will be 49 per cent. owned by Massey Ferguson and 51 per cent. by the Pakistan Tractors Corporation.

Massey Ferguson will also arrange a long-term loan worth rupees 400m. through the British Export Credits Guarantee Department and U.S. and U.K. banks. Under the project Pakistan will be able to produce 84 per cent. of the required spares for tractors in the next five-year period.

Meanwhile it was announced here that Pakistan and China will exchange goods worth $24m. each way this year under a new trade protocol. Goods worth $16m. were traded each way over the last two years.

Pakistan will export to China raw cotton, cotton yarn, textiles, leather, and leather goods. In exchange China will export to Pakistan steel billets, tools and workshop equipment, textile machinery, rice planters, grid station equipment, hospital and laboratory equipment, telecommunication equipment and construction machinery.

China will also export items for the private sector. These include tiles and sanitary ware, sheet and plate glassware, earthenware and porcelain.

AP-DJ reports: China says it intends to overtake the U.S. in steel production by the end of this century. Mr. Tang Ke, head of the Ministry of Metallurgical Industry, in an interview with the official Hsinhua News Agency, set this as Peking's target.

Western specialists, however, estimate China's production of crude steel in 1976 was only 21-22m. tonnes, down from 26m. in 1975. China reported 1977 steel output 12.7 per cent. above that of 1976, but did not give production figures. Thus 1977 output was less than that of 1975, when U.S. output was 116.6m. tons.

## U.S.–EEC in steel talks

BY DAVID BUCHAN

BRUSSELS, Jan. 11.

A JOINT working-party of U.S. and EEC officials met here to-day to devise a proper comparison between the complicated price systems that the Community and the Carter Administration have developed against cut-price steel imports.

The EEC Commission to-day expressed concern that the U.S. trigger price system might hit "certain EEC steel exports to certain regions of the U.S." This concern is understood to stem from the fact that the American system, due to come into force next month, is calculated on Japanese production and, more important, transport costs. The fear is apparently that, while Japanese steel is sold mainly on the West Coast, EEC exporters may have some difficulty reaching Midwest steel markets from East Coast ports at a low enough price to win orders.

Basically, the EEC officials consider that the two price systems are roughly of the same absolute level, and there is thus little danger of third-country imports being diverted from one market to the other. Whether the margins between U.S. domestic prices and the new trigger prices—reported to be an average of 5.7 per cent.—is enough to allow EEC steel exporters to keep their present U.S. market share, will only become clearer after to-day's meeting.

Meanwhile, the EEC Commission is to embark on the first round of its bilateral negotiations with steel-exporting countries next week. Talks with Austria and Sweden are to be held on January 18, with Norway on January 20, and with Switzerland and Portugal on January 23. So far, only this time-table, with the EFTA countries has been fixed.

These agreements, covering both price and quantities of steel imports, are designed to replace the system of minimum import prices that the Community has imposed between January 1 and March 31 this year. The bilateral agreements are expected to last until the end of 1978.

## Soviet pipe order for W. Germany

The West German concerns, Mannesmann-Handel and Thyssen Stahlunion have won another contract from the Soviet Union for delivery of large pipes for transport of natural gas under extreme low temperature conditions, writes Jonathan Carr from Bonn. The new contract is for 300,000 tonnes of piping to be produced in Mannesmann's Muehlheim (Ruhr) factories by this autumn and shipped to the Soviet Union. No details of the value of the order have been given, nor of the credit conditions involved which have been arranged through a German banking consortium led by Deutsche Bank.

### Medical standard

THE FIRST international agreement for the manufacture, installation and application of electrical equipment used in medical practice has been reached at a conference of the International Electro-technical Commission (IEC) in Helsinki, Dr. David Carrick writes.

This new IEC standard supplies a general safety standard for the electrical medical equipment and can now be used, not only as a guideline by the medical profession, but also by manufacturers when establishing larger production lines to meet minimum national safety requirements.

### Fork lift order

An order worth in excess of £1m. has been placed with Bonser Engineering of Giltbrook, Nottingham, for 100 of its range of fork lift trucks, by the company's agents in Nigeria, Leventis Motors of Apapa.

### ECGD guarantee

The Export Credits Guarantee Department has guaranteed the repayment and funding for two loans of $1.85m. each which the Royal Bank of Scotland has made available to Brodospas, an enterprise for ships salvage and dismantling, of Yugoslavia. The loans will help finance contracts awarded by Brodospas to R. B. Leasing for the supply and delivery of two second-hand tug supply vessels.

### Ericsson contract

Societe Francaise des Telephones Ericsson said it had won a Frs.71m. contract to develop the telephone network of the Republic of Benin.

### Steel aid

The EEC Commission said it is granting a Frs. 350m. loan to Societe Lorraine de Laminage Continu (Sollac) to contribute to the financing of its Seremange, Lorraine, steel plant.

## Concorde flights to Lagos and Jeddah under discussion

BY LYNTON McLAIN, INDUSTRIAL STAFF

CONCORDE services from London to Lagos, Nigeria, may follow from discussions next month between British Airways, British Caledonian and Nigerian Airways.

Supersonic flights from London to Jeddah are also under discussion between British Airways and Saudi Arabian Airlines.

The announcements have come as British Airways is stepping-up its London to New York service, while not reintroducing the full four flights a week which operated to Washington before December 10 last year.

The New York flights, which began on November 22 last year, are to be stepped-up to six a week from Sunday, January 15. There will be no flights on Saturdays.

Concorde flights to Washington were reduced from four a week to two a week in December. A third flight will be added from February 16, but there are no plans to reinstate the fourth flight.

This has been dropped for the foreseeable future as New York gradually assumes the greater role in handling British Airways' trans-Atlantic supersonic flights.

The airline's interest in joint ventures with other airlines stems from November 22, when Mr. Ross Stainton, the British Airways chief executive, said the airline would enter agreements with other national airlines along the lines of the Singapore Airlines Venture.

This project was subsequently suspended as a result of problems over the use of Malaysian air-space.

Mr. Stainton called for a "United Nations of Concorde operators," as the best way to use the aircraft. Links with other national airlines were necessary where British Airways did not have traffic rights, for example to Lagos.

This has gradually become a "destination in its own right" said the airline, rather than simply a trans-shipment airport.

This supported Mr. Stainton's contention that destinations which a few years ago could not have supported Concorde, are now sufficiently important to justify a "closer look."

## Callaghan asks India to ease controls on imports

BOMBAY, Jan. 11.

THE PRIME MINISTER, Mr. James Callaghan, told British businessmen here to-day that he had asked the Indian Government to do all it could to ease its present controls on imports and investments.

He had heard a good deal about the problems British companies encountered in the negotiation of licensing agreements and in remittance of dividends under India's Foreign Exchange Regulation Act.

Mr. Callaghan said he had spoken on these problems with Indian Prime Minister, Mr. Morarji Desai, and members of his Cabinet and left a memorandum with Mr. Desai.

Mr. Callaghan said he believed there was every possibility of substantially increasing Indo-British trade in both directions and that there would be more industrial collaboration between the two countries.

He was speaking to the heads of British companies operating in India at the end of his five-day visit here before flying on to Islamabad on the third stage of his south Asian tour.

Mr. Callaghan's visit to Bombay, the commercial hub of India, contrasted strongly with his study of rural India yesterday when he travelled with Mr Desai to villages and small towns in his home state of Gujarat. He said the Indian Government was very properly giving a great deal of attention to rural development.

But it was also the world's tenth largest industrial power and enough of its resources would have to be devoted towards industrial development so that this sector did not stand still.

Referring to the size and potential of the Indian market, Mr. Callaghan said that when it came to British exports and investment, "it will be the decisions of the Indian Government that determine how fast we can expand."

Mr. Callaghan said he was hopeful that Britain could sell more manufactured goods to India to balance the deficit which has averaged close to £100m. a year since 1972.
Reuter

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# Chrysler to freeze its Sunbeam and Alpine prices

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER U.K. is to freeze the price of its Sunbeam and Alpine models for the next three months to maintain the sales momentum which began last month.

This unusual move, at a time when the other U.K. manufacturers are involved in across-the-board increases, lends weight to the view that several car companies are preparing for a tough marketing battle this year.

Although the total market is expected to go up by about 7 per cent. this year, to 1.4m. units, both Japanese and Continental exporters plan to step up their efforts in the U.K., and the British industry itself will produce more cars than last year if it manages to meet its targets.

Chrysler's pricing policy is being dictated by these developments, plus the fact that the Sunbeam had a troublesome launch because of strikes at its Linwood plant, and has a great deal of lost ground to make up.

The company's launch price for the 1-litre Sunbeam, at £2,323, seems to have been dictated partly by the desire to be able to hold down rises for about six. At the same time, production of the Alpine, now totally assembled in Britain after phasing out of the French model, is improving.

Output is running at about 825 vehicles a week, which means the company will have to achieve about 40,000 sales in Britain this year against 30,000 in 1977.

Sunbeam production has reached about 86 per cent. of the target of 1,000 units a week and the company claims that it has too few cars to meet demand.

Last month, Chrysler had its best sales month for at least a year, recording 5,190 registrations. It captured almost 9 per cent. of the market.

Prices of the other Chrysler car and truck models are going up by an average of 4.5 per cent. from to-day.

This increase is in line with the recent Ford rise of 4.6 per cent., and the 5 per cent. announced by Vauxhall in December. British Leyland is expected to follow, at about the same rate, in a week's time.

Examples of the Chrysler increases are Avenger GLS 1.6 four door: £3,416 (old price £3,316); Chrysler 2 litre: £4,159 (£4,109).

# Green Paper slated by Stock Exchange

BY CHRISTINE MOIR

THE CONCEPT of "public accountability" by companies, which underlines the Government's Green Paper, The Aims and Scope of Company Reports, is vague, dangerous and inequitable, according to the Stock Exchange.

Mr. Nicholas Goodison, chairman of the Stock Exchange, launching a direct attack on the Green Paper, said yesterday: "If directors are to be held accountable to groups of people who have no direct responsibilities or interest in the company, they will in practice cease to be accountable to anyone."

"Company law is concerned with the obligations of companies to their shareholders and creditors."

Most of the proposals in the Green Paper "do not belong in the field of company law and are clearly designed to serve other interests."

If the Government wanted to extend companies' accountability to specific groups on particular matters, it ought to do this by specific legislation.

However, the notion of requiring companies to be accountable to the public at large was a woolly concept which "could ont be given, nor should be given, legal form."

If companies were made to disclose information simply because of vague notions that public interest was involved, pressure groups would not be long in seeking to influence companies over decisions which related to these matters.

"The possibilities would have the most damaging potential for companies," he said.

The Stock Exchange, however, goes further than just arguing that the concept of "public accountability" is both vague and dangerous. It also claims that it is inequitable if it is to be applied just to public companies over a certain size, as the Green Paper proposes.

An earlier paper, the Corporate Report, had recognised that there were other "significant economic entities," such as local authorities nationalised industries and patrnerships to which the notion must also apply.

To pick on companies alone was simply "convenient."

The Stock Exchange does agree with certain specific proposals in the Green Paper. These were likely to be included in future listing requirements for companies.

They include statements of added value, statements of source and application of funds, analysis of short-term borrowings, details of leasing agreements and foreign currency transactions.

# Grants chases supermarket trade

BY KENNETH GOODING

ANOTHER example of the major impact the supermarkets have made in the liquor trade comes to-day with news that Britain's bigest wine and spirit merchant, Grants of St. James's, is to make significant changes.

Grants, an Allied Breweries subsidiary, is to divide its sales and marketing organisations into two new companies, one to operate as a wholesaler, and the other to act as a brand owner.

The company markets and distributes about 700 brands of wines and spirits. The latest statistics registered at Companies House—for 1976—showed turnover at £104m. and taxable profits at nearly £14.6m.

"Wholesaling and brand-owning are two very different businesses and for them both to develop their full potential it is necessary for them to operate under separate organisations," a spokesman said.

# Sainsbury claims December recovery

By Our Consumer Affairs Correspondent

J. SAINSBURY claimed yesterday to have new evidence for its claim that it had started its new cut-price programme this week from a position of strength.

According to figures produced by Audits of Great Britain, the company's share of the packaged grocery market recovered to 8.8 per cent. in the four weeks to the middle of December.

This is only just below the share Sainsbury was taking just before Tesco dropped stamps and adopted its new policy of discounts in the summer.

Immediately after the Tesco move, Sainsbury's share dropped to 8.1 per cent., although it made up for this overall by making bigger inroads into the markets for other supermarket lines, such as fresh foods.

Audits monitors the sales of the biggest selling grocery lines and it is these items which form the basis of Sainsbury's new discount programme.

Sainsbury, with the rest of the trade, has always stressed that it is unwise to read too much into one month's figures.

# Oilmen expect price-pegging well into 1978

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL INDUSTRY forecasts show that product prices are likely to be pegged at present levels for much of this year.

With hardly any growth in sales expected in the next 12 months, oil companies foresee little chance of improving their margins.

They say that even if the Organisation of Petroluem Exporting Countries raises crude prices this summer, it is far from certain whether market conditions will allow such an increase to be passed on.

On the other hand, the industry sees little chance of a reduction in prices in the next few months to reflect the recent rise in sterling against the dollar.

The fluctuating pound can have a marked impact on oil prices; it is calculated that a five cent movement in the exchange rate generates an overall cost reduction to the oil companies of about £1.20 a tonne, or about ½p a gallon on all products.

The main cause of oil price increases in 1976 was the falling value of sterling.

Those expecting companies to trim prices in the next few months are in for a disappointment, according to marketing executives.

They say that since the last round of price increases in April, reflecting an exchange rate of about $1.72 to the pound, prices have fallen markedly in the industrial markets through rebates and discounts.

One large company estimated that the effect of this process throughout 1977 had lowered prices by an average of 2p a gallon.

A formal reduction in prices may be implemented if a sterling level above $1.95 is maintained for an appreciable period, the company added.

In the petrol market the price-cutting war continues as strongly as last year. In spite of a notional price increase of 2p a gallon in April, the average cost of petrol to motorists at the end of last year was 75.6p, against 78p at the end of 1976.

Forecourt competition is expected to remain keen this year, for major oil groups will try to maintain market shares in a sector which may grow by 2.5 to 3 per cent.

Fuel oil sales are expected to remain static, although companies hope that the demand for Derv and gas oil will rise by at least 2.5 per cent.

Last year gas oil sales grew by about 6.5 per cent., largely due to the North Sea supply industry. Gas oil is the principal fuel used in offshore supply boats and barges.

# Laing drops £25m. Eastbourne plan

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

JOHN LAING has backed out of the £25m. Eastbourne central area development. The contractor and its funding partner, the Shell pension fund, have decided that it is impractical to build the proposed 10-acre shopping scheme in a single phase.

Laing's decision has forced Eastbourne Council to turn to Town and City Properties, which, backed by Legal and General Assurance, has been involved in talks with the council for nearly a decade.

Last autumn the council decided that Town and City's plan for a two-phase development was too drawn-out. Now, after Laing's move, the council has informally asked the property group to reconsider the scheme.

The Town and City development team, responsible for some of the largest covered shopping centres, originally proposed a two-phase development.

In the first stage a 325,000 square feet shopping area was planned. A number of large store groups, including Littlewood, Sainsbury, British Home Stores and Woolworths, had agreed to move into this first-phase building.

The company planned to build an additional 140,000 square feet of covered shopping area when the first phase proved successful.

Eastbourne Council's embarrassment at the Laing decision is heightened by the need to agree on a development plan before mid-March. The council's powers of compulsory purchase on the site expire on March 14.

Any proposals after then would involve another public inquiry and protracted planning delays.

Town and City awaits the council's next move. It hopes it has regained the role of developer in the proposed centre, and views the council's change of heart as a confirmation of the group's improving image after several years of financial difficulties.

# Builders face 'worst year since 1963'

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THIS YEAR will be the worst year for the construction industry since 1963, according to the National Council of Building Material Producers.

A fact sheet entitled A Bleak Outlook for Construction, published yesterday by the council, says it is expected that the industry will show no signs of recovery until next year and that output this year will be no better than last year.

The forecast is at odds with some of the latest predictions concerning the industry's future which have pointed the way to a minor revival in fortunes this year.

The council says that in spite of the £630m. that the Chancellor has restored to public spending on the construction industry since last March, the industry still faces two lean years.

More than £2bn. had been cut from capital spending since 1973, with construction being cut by £1bn. in 1976 alone.

OBITUARY

# Professor Fred Hirsch

PROFESSOR Fred Hirsch, who died on Tuesday enjoyed a distinguished career in the three different fields of academic economics, international monetary affairs and financial journalism.

He was born in Austria in 1931. Three years later his parents moved to Britain. After gaining a First at the LSE, Professor Hirsch worked for The Banker under Wilfred King and then for The Economist, where he was Financial Editor from 1963 to 1966.

He then moved to the IMF where he was Senior Economic Adviser until 1972. This was followed by two years as a Research Fellow at Nuffield College, Oxford; in 1975 he became Professor of International Studies at Warwick.

His written work was erudite, witty, but never pedantic. His book, The Pound Sterling: A Polemic, published in 1965, was the first to advocate the devaluation of sterling, two years before it occurred and at a time when the subject was supposed to be unmentionable.

His book Money International, published in 1967 became a standard guide; and Professor Hirsch had a major hand in many of the IMF studies which helped to steer the world into the post-Bretton Woods era.

His growing desire to stretch the horizon of economic studies without abandoning their standards found expression in Social Limits to Growth, published in 1976. As its title indicates, his thesis was sharply distinguished from the Club of Rome fears about physical scarcities.

His work is probably the most successful and comprehensive explanation yet attempted of why the rise in output and incomes so often fails to bring the expected satisfaction, and why therefore both capitalism and the more growth-oriented varieties of socialism fail to live up to expectations.

In a completely different field he wrote, with David Gordon, a study of the financial Press entitled Newspaper Money, published in 1975.

Professor Hirsch showed characteristic courage and determination in carrying on working until the very end despite a severe wasting disease from which he suffered in the last couple of years.

Indeed, he managed last week to complete the proofs of the Political Economy of Inflation, in which he achieved the seemingly impossible task of making a useful synthesis of the work of several different contributors of widely varying disciplines and beliefs.

In spite of these far-reaching concerns, Professor Hirsch always had a lively interest in current events and the needs and foibles of those around him.

A man of strong opinions—for instance, on British membership of the EEC—he was always much more impressed by a good point made on the other side of an argument than a feeble one made on his own side. He leaves a widow, Ruth, and three boys.

SAMUEL BRITTAN

# Sir John Laing

SIR JOHN Laing, life-president of the Laing group of companies, has died aged 98.

Although he maintained a close interest in the affairs of the group, he relinquished active control some years ago.

Sir John was born in Carlisle. In 1895 entered the family business founded by his grandfather. Under his direction, the organisation grew into an international group—to-day one of the largest building, civil engineering, property development and manufacturing companies in the country.

He is survived by his two sons, Sir Kirby and Sir Maurice Laing. His wife, Lady (Beatrice) Laing, died aged 86 in 1972.

COMMONS INVESTIGATION INTO BRITISH STEEL CORPORATION

REPORTS BY ROY HODSON

# 'Unpalatable' decisions needed

THE ALL-PARTY Commons committee investigating the British Steel Corporation has recommended that the number of jobs at the corporation should be cut to provide a more efficient industry.

Its second major recommendation is that parts of investment projects, worth about £2bn., at Port Talbot in South Wales and at Redcar, Teesside, should be postponed or cancelled.

The committee recommends that the second of its two reports into British Steel should form the basis of a Commons debate lasting at least two days, and that there should be an early statement on British Steel from the Government.

This should include the "unpalatable but necessary decisions that need to be made."

The committee sees the early closure of a number of the older works—which are being maintained in production as a result of Lord Beswick's review while he was at the Department of Industry—as an essential part of its proposed strategy.

The prospect of assisting the corporation back to profitability—it is losing up to £1.5m. a day—by a financial reconstruction is also considered.

Such a reconstruction would reduce the corporation's burden of current and future interest costs. The committee recognises reluctantly that partial financial reconstruction may be inevitable as a result of recent events.

Underlying the research and recommendations in the two reports is a feeling of deep disquiet that the committee has been unable to investigate its subject properly because of the reluctance of British Steel, the Government and the unions to give full information.

The committee has recommended that Parliament should act to secure confidential correspondence that has passed between Mr. Eric Varley, the Industry Secretary, and British Steel.

The committee's apprehension about the impact of its work on British Steel's problems are summed up in the following paragraph in the second report:

"Your committee fear that the remedies proposed after due consultation between the Government, the BSC, and the trade unions, will be an unsatisfactory compromise involving each of the three courses of action (manpower reductions, reduced capital spending, and a capital reconstruction), and that as a result of the elements of financial reconstruction in the compromise, the true nature of the crisis in the Corporation will be concealed only to reappear in a yet more virulent form at a later date."

The committee recognises that British Steel faces at least two years of losses unless both its policies and its market are changed radically.

In July last year, the committee estimated that the corporation's spending on fixed assets between 1977 and 1981 would be £3,492m. at outturn-prices. By December, it had added £1,210m. to that estimate.

To contain borrowings, the committee estimates that fixed capital expenditure must be cut by 35.4 per cent. below the levels forecast in July last year.

Such cuts would almost certainly involve the cancellation or lengthy postponement of the two major projects at Port Talbot and at Redcar.

The earlier possible phasing-out of a substantial number of the Beswick plants is considered a sensible course by the committee.

It also says there must be a steady reduction in jobs so that productivity targets can be met in plants falling short at present.

The committee points out that very little progress has been made in manpower reduction since the agreement between the trade unions and British Steel in January 1976.

"It would be undesirable for obvious social reasons for there to be a rapid reduction in the size of the workforce—but a steady and progressive net reduction in each of the next five years must be achieved," says the committee.

Looking at investment policy, the committee reckons that the Scunthorpe and Llanwern expansions are almost complete, although Scunthorpe continues to suffer from a shortage of iron.

It recommends that the Ravenscraig plant expansion in Scotland should go ahead to completion as should the first stage of the Redcar, Teesside, development.

But it believes that it might be better at Port Talbot to replace the ageing wide strip mill, using the foundations of the existing mill, rather than to go ahead with plans for a medium-width strip mill primarily to supply the needs of the can-makers.

"The medium-width strip requirement for modern can-making is a separate investment problem which should not be the sole mainstay of the whole Port Talbot investment," the committee says in its second report.

The proposal for a new plate mill on Teesside, it adds, should go ahead only after a searching review of the demand prospects for its output, especially in the North Sea gas and oil industry and in the shipbuilding industry.

The committee believes that plate requirements should be examined as a specialised problem involving, principally, the Redcar plate mill and the mills at Consett and Hartlepool. Plate requirements should not be seen as the mainstay for the far larger steelwork project at Redcar.

The second development phase at Redcar is priced at £1.6bn. at 1975 prices and the committee says it has been given no justification whatsoever for such an increase in steel making capacity.

# Cash flow estimates soar as finances deteriorate

BRITISH STEEL'S deteriorating financial position in 1977 caused the committee to produce two widely differing cash flow estimates for the corporation

In the second estimates, completed in December, 1977, the committee calculated that the total external funds British Steel will need between 1977 and 1981 to maintain forecast capital expenditure will amount to £4,606m.

The committee bases the revised estimates on the likelihood that British Steel will return a loss of approximately £500m. in 1977-78 and a further loss of about £350m. in 1978-79.

The committee considers that if steel demand recovers and British Steel takes corrective action to cut expenditure on its revenue account "it is possible to anticipate a loss of (say) £100m. in 1979-80 and a break-even position in 1980-81."

CASH FLOW ESTIMATES, 1977-78 TO 1980-81 (JULY 1977 ESTIMATES)

£ million outturn prices

| Item | 1977-78 | 1978-79 | 1979-80 | 1980-81 | Total 1977-78 to 1980-81 |
|---|---|---|---|---|---|
| Applications | | | | | |
| Fixed Assets | 625 | 863 | 991 | 1,013 | 3,492 |
| Working Capital | 104 | 144 | 165 | 169 | 582 |
| Total Applications | 729 | 1,007 | 1,156 | 1,182 | 4,074 |
| Sources | | | | | |
| Generated Funds | —50 | 219 | 252 | 257 | 678 |
| External Funds | 779 | 788 | 904 | 925 | 3,396 |
| Total Sources | 729 | 1,007 | 1,156 | 1,182 | 4,074 |

CASH FLOW ESTIMATES, 1977-78 TO 1980-81 (DECEMBER 1977 ESTIMATES)

£ million outturn prices

| Item | 1977-78 | 1978-79 | 1979-80 | 1980-81 | Total 1977-78 to 1980-81 |
|---|---|---|---|---|---|
| Sources | | | | | |
| Generated Funds | —400 | —250 | 0 | 118 | —532 |
| External Funds | 1,129 | 1,257 | 1,156 | 1,064 | 4,606 |
| Total Sources | 729 | 1,007 | 1,156 | 1,182 | 4,074 |

# Committee gives increased productivity higher priority than expansion plans

Main recommendations of the two reports:

● British Steel should concentrate on raising productivity at existing works rather than incur higher overall costs by introducing new facilities.

The committee calls for clear views to be put forward in the public steel debate, "in which Government and departments and the corporation have shown themselves so far unwilling to engage."

● The corporation should develop and improve its monitoring and control procedure for capital projects.

● British Steel and the Department of Industry should both improve financial forecasting — "not least so that reliable estimates can be laid before Parliament."

● The Treasury, the Department of Industry and BSC should consider the appropriate self-financing ratio of the corporation.

● British Steel's capital spending should be authorised only for specific projects which promise adequate returns.

● Mr. Varley, the Industry Secretary, should ask British Steel to explain why the corporation has such a high break-even ratio.

● Mr. Varley should take into account the need for maximum production efficiency in British Steel when he reviews the future of the Shotton plant in North Wales.

## Directors

● More information should be made available to British Steel non-executive directors. They should serve for at least four years and their pay should be reviewed.

● The Government should encourage closer association between the Iron and Steel Trades Confederation, the National Union of Blast Furnacemen, and the Steel Industry Management Association. It should provide finance and an independent mediator.

● Urgent consideration should be given to improving industrial relations and negotiations on manning levels should begin as soon as possible.

● The Industry Secretary should initiate a formal procedure requiring major steel projects to be accompanied by manning outlines agreed with the unions

● The unions should organise themselves to respond adequately in the steel industry to a much wider field of responsibilities than they have done so far.

● British Steel should review the balance between reduced costs and lost revenue resulting from rationalising products

● The corporation should look at sales opportunities and Government should consider strengthening British legislation to protect British Steel's market position.

● The Industry Department should investigate scrap supplies

● The Department should improve the consultation between British Steel and private steel industry.

● British Steel should be properly compensated by Government for any non-commercial obligations.

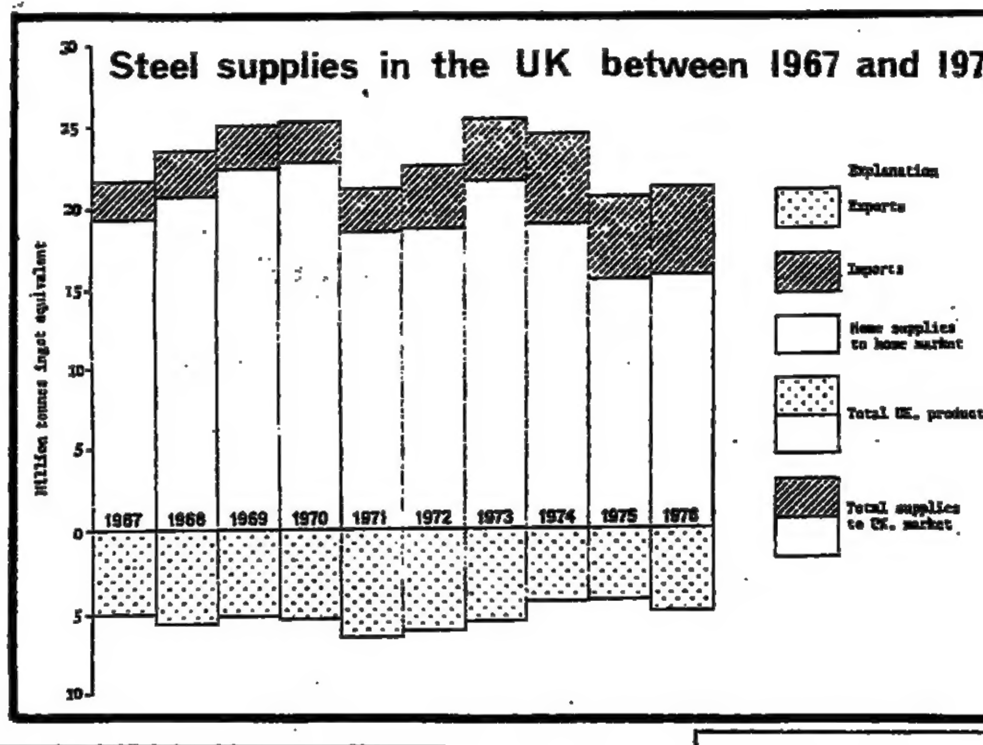
● The Industry Secretary should set out the general circumstances under which he may intervene in the affairs of British Steel The committee recommends such proposals being incorporated in the next round of steel industry legislation.

## Procedures

● New procedures should be adopted by the Department of Industry, the Treasury and British Steel, for reporting on the industry, planning investment and taking Government decisions on the industry.

● The Treasury should consider a self-financing ratio as a regulatory device for the provision of finance to British Steel. The corporation should be allowed to raise its own loans with flexibility.

● The task of sanctioning British Steel's financial needs should be switched from the Industry Department to the Treasury and direct experience of industry should be essential for civil servants taking part in the corporation's affairs.




## Titles of reports

THE FIRST and second reports from the Select Committee on Nationalised Industries into the British Steel Corporation.

First report: *House of Commons Paper 26—I* (Stationery Office, £1.60).

Second report: *House of Commons Paper 127—I* (Stationery Office, 60p).

# Secretive witnesses attacked

THE COMMITTEE is seeking Commons backing to secure evidence from Whitehall and British Steel which was not made available during the examination of witnesses.

The committee notes in its second report that Mr. Eric Varley, the Industry Secretary, had refused in the Commons to lay on the table all papers that had passed between him and the chairman of British Steel during the 12 months to November, 1977.

When Sir Charles Villiers, BSC chairman, was recalled by the committee to give further evidence in November, 1977, he refused — "short of being sent to the Tower" — to give details of plans being formulated with the Government to reshape the corporation and restore it to viability.

The committee is recommending the Commons to agree to two motions designed to discover what has passed between the Government and British Steel during the current steel crisis.

Motion A reads "That a humble Address be presented to Her Majesty that she will be graciously pleased to give directions that there be laid forthwith before this House by the Secretary of State for Industry a Return of all papers relating to the future prospects for the British Steel Corporation which have been submitted to him by the Corporation and to the Corporation by him since January 1, 1976."

Motion B, to be moved when the Reply to the Address is received, reads: "That the papers relating to the British Steel Corporation laid before the House by the Secretary of State for Industry pursuant to an Address for a Return be referred to the Select Committee on Nationalised Industries."

The motions are the culmination of a section of the committee's second report which examines future relationships of the committee with Government departments and the corporation.

In both reports, the committee repeatedly draws attention to the difficulty it had in obtaining reliable information from corporation and from Government departments, and to the fact that "neither side was prepared to discuss the options available."

The committee accepts that witnesses may have had some legitimate reservation about public discussion of the details of negotiations between the Government, British Steel and the TUC Steel Industry Consultative Committee in the last months of last year.

The committee does not accept, however, that this excuses or explains what it describes as inadequate evidence given to it earlier.

The committee stresses that, during its 21-year history, good relations and mutual confidence have been built up between members, their predecessors, and the various nationalised industries.

The report says committee members believe that most industries now regard the committee as having established "a tradition of conduct which will result in its being regarded by the board concerned not as an enemy or critic but as a confidant and a protection against irresponsible pressure, as well as a guardian of the public interest," in the words of the select Committee of 1952.

But the report goes on: "They regret that the British Steel Corporation does not appear to have regarded your committee in this light.

"So far as the withholding of information is concerned, a witness is 'bound to answer all questions which the Committee see fit to put to him' and your committee, like most select committees, have the power 'to send for persons, papers and records'.

"The only sanction available to a committee, however, when witnesses refuse to answer a question or to produce a paper, is to report the matter to the House. This is an unsatisfactory situation: it is, of course, not unique to your committee but applies to all select committees.

"It must be for the House to determine whether or not the procedures for ensuring compliance with requests and summons of a select committee should be strengthened. The forthcoming report of the select committee on procedure should provide an opportunity for this to be considered."

# More political freedom in Civil Service urged

BY DAVID CHURCHILL

MOST CIVIL servants will be free to take part in national and local politics, subject to the approval of their department, if the Armitage Committee's report, published yesterday, is accepted by the Government.

The committee, set up by the Prime Minister in May, 1976, with Sir Arthur Armitage, vice-chancellor of Manchester University, as chairman, has recommended that about 175,000 middle grade civil servants should be allowed to take part in political activities unless the type of work involved prevented this.

Previously, such middle managers were classed as "politically restricted" and prevented from most political activity.

Some 23,000 senior civil servants will still be subject to restrictions because of the sensitive nature of their work.

Civil servants who directly deal with the public, such as in social security or tax offices, will be barred from taking part in politics. This recommendation was criticised yesterday by the Society of Civil and Public Servants, which represents many of the middle managers involved, as being an "abitrary constraint" on civil servants.

The committee's report, however, was a unanimous one in spite of an earlier split on the committee which had delayed publication for several months.

Mrs. Barbara Castle, Labour MP for Blackburn, and Mr. Stanley Mayne, former general secretary of the Institution of Professional Civil Servants, had favoured a greater relaxation of the rules.

But evidence from some Government departments that few civil servants had applied for exemption from the present rules persuaded the committee that there was insufficient demand for a complete abolition of restrictions.

The committee felt, however, that the present operation of the rules was unnecessarily restrictive and could be substantially amended without losing the political impartiality of the service.

The present rules provide that the extent to which a civil servant is free to take part in political activity is governed by his grade. On this basis, the Civil Service is divided into three groups of staff:

The "politically free" category, consisting of industrial and non-office grades, who are free to engage in any political activity including standing for Parliament (although they would have to resign from the service if elected);

The "politically restricted" category, consisting of all staff above executive officer level, together with executive officers and certain related grades such as information officers, who are debarred from national political activities but may apply for permission to take part in local political activities;

The "intermediate" category, containing all other staff, who may apply for permission to take part in national or local political activity apart from adoption as a Parliamentary candidate.

"Certain groups of staff in the intermediate category may be granted 'en bloc' standing permission by their departments to take part in political activity, and staff concerned need not then apply individually for permission. Someone promoted to the politically restricted category, or transferred to a branch of the department where permission is, as a rule, not granted would normally have his permission withdrawn," the report says.

It is in fact the case that, at present, members of the intermediate category are given or refused permission (whether for national or local political activity), primarily on the basis of the nature of the work on which they are engaged.

"We think that the approach for the future should depend upon the type of work on which a person is engaged, and not upon the grade of his civil service appointment. We therefore propose a reduction in the size of the restricted category and a consequent transfer of staff to the intermediate category. It is important to emphasise that this will not result in large numbers of civil servants being accorded indiscriminate freedom to take part in political activity. It will place them in a position in which they may ask to be given permission to take part in national politics in the same way that they may now ask to be given permission to take part in local politics.

The effect of the changes recommended by the committee would be:

The number of staff in the "restricted" category would be reduced from 196,000 at present to 23,000 (about 3 per cent. of the civil service). These staff remain ineligible to take part in national political activities but they could, as at present, ask permission to take part in local political activities;

Staff in the "intermediate" category (about 67 per cent. of the civil service) would, on the committee's recommendation, be able to take part in national and local activities;

Permission to take part in political activities—in the case of staff in the "restricted" category, in local activities only—would be given or withheld on the basis of specific criteria which would have regard to the nature of the work on which the individual was engaged.

But the committee recommends that permission should not normally be given to the following groups of staff.

i. staff dealing directly with Ministers either in advising them or in submitting policy recommendations or in executing ministerial decisions.

ii. staff, a substantial amount of whose work involves them in both:

a. intimate knowledge of and direct contact with members of the public in regard to their personal affairs, *and*

b. making, or contributing to making, decisions affecting the personal lives of members of the public;

iii. staff representing HM Government overseas;

iv. staff working in sensitive areas, for example a minister's private office or security:

*Committee on Political Activities of Civil Servants. Cmnd. 7057.* £1.35.

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## HOME NEWS

# GKN to close plastics plant

By Kevin Done, Chemicals Correspondent

GKN SANKEY is to close its plastics division because of persistent losses incurred over the past two years. The plant at Bilston, Wolverhampton, employs some 650 people.

The company says that every effort will be made to find alternative employment for the workforce at other GKN factories in the area.

Employees have been told that the division will be progressively run down over the next six months and the management hopes to have completed the closure by July.

The GKN Group is one of the largest suppliers of components for the automotive industry. The plastics division produces injection mouldings for the motor, television and domestic appliances industries.

In the past two years the division has faced mounting losses totalling some £1.5m. Its turnover last year was some £8m. out of a group turnover of more than £1.5bn.

GKN said yesterday that the closure was due to lack of demand, weak prices, and the continuing losses. Among other factors contributing to the low demand has been the uncertain state of the British motor industry, as much of the production from the Bilston factory is taken by domestic customers.

# Long-life light bulbs research has ended

BY LYNTON McLAIN, INDUSTRIAL STAFF

BRITAIN'S lamp makers have virtually stopped research into long-life domestic bulbs in favour of more research into high-efficiency lamps, even though these may not be on sale for 40 years, a Commons sub-committee was told in evidence yesterday.

More efficient lamps could cut Britain's lighting fuel bill by a third, Mr. Ivor Cohen, lighting division director of Philips Industries, told the committee, which is investigating the durability of filament and discharge lamps. This could equal the output of a complete power station if inefficient domestic tungsten lamps were replaced by fluorescent tubes.

These were many times more efficient converters of electricity into light than domestic tungsten bulbs, but the public still bought twice as many of these inefficient lamps as all other bulbs together.

Domestic lamps with double the standard 1,000-hours life set in the 1920s had been on sale in Britain since 1969.

Crompton Parkinson, the makers, told the committee that it had been unsuccessful in persuading people to buy the lamps. Sales of the double life lamps had fallen since their introduction.

Mr. J. Birch, chairman and managing director, said some local authorities had changed their double-life bulbs for higher efficiency fluorescent lamps.

These used less energy, an advantage which industry but not the public had been "educated" to accept. There were "limits" to how much the domestic lamp, even with a double life, could be improved.

"The real solution," said Mr. Birch, "is to go for a completely different type of lamp. We must move away from the old-fashioned tungsten filament bulb."

Consequently, Crompton Parkinson had done "no research since 1962," into increasing domestic lamp life.

The company said it was difficult to put over the technical merits of the double life lamp, which gave 20 per cent. less light per watt in the case of the 100 W tungsten lamp.

This inefficiency had been largely overcome with the invention in the 1960s of the tungsten halogen lamp. This is used in cars, aircraft and traffic lights.

Philips, Crompton Parkinson and Osram-GEC, which all gave evidence, agreed that there was a good future for discharge lamps, tungsten halogen lamps and sodium lamps which were "among the most efficient lamps anywhere in the world," Philips said.

Research to make these suitable for mass production and for the domestic user was going ahead, while double-life lamp sales stagnated.

# Message by TV system unveiled

BY MAX WILKINSON

THE POST Office yesterday unveiled a communications system linking the domestic television set and a simple keyboard to the telephone network.

Subscribers will be able to communicate by typing messages on to each other's television screens. The messages go from the keyboard to a central computer which will re-route the words to be displayed on the recipient's television set.

The Post Office says that the system will be particularly useful for deaf people. However, it also has a large range of commercial and office uses.

The system, still at the prototype stage, is a development of the experimental Viewdata service which allows people to use a modified television set and the telephone to extract information stored in a central computer.

In a trial service starting this summer, subscribers will have access to some 60,000 pages of information.

### Computer

The service will cover news, sport, financial and stock market data and information on cars, houses and holidays.

It is envisaged that subscribers will pay a local telephone call charge for using the system. They may also be charged by the providers of the information, but these details have not yet been settled.

Viewdata will, in principle, allow every home or office to have a computer terminal for the price of an adapted conventional colour television set.

Mr. Peter Benton, the GPO's new managing director of telecommunications, said yesterday he was confident that a public service, allowing access only to the computer would be started next year.

Earl Mountbatten of Burma yesterday commemorated the first demonstration of the telephone in the U.K. made at Osborne House, Isle of Wight, by Alexander Graham Bell to Queen Victoria 100 years ago.

Lord Mountbatten spoke by transatlantic line to Mrs. Lilian Grosvenor Jones, Bell's granddaughter. Afterwards, Viewdata messages were exchanged between Osborne House and the British Embassy in Washington.

# Spending 'key to deficits'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE WIDESPREAD view that countries in persistent current account surplus, notably Germany and Japan, are holding up the recovery of other economies is strongly questioned to-day by a leading international trade economist.

Professor W. M. Corden, of the Australian National University, says the problems of deficit countries are not their deficits, but rather the pressure for spending in excess of real income. The deficits are the results of their problems, and not the cause, he adds.

These views are set out in the January issue of The World Economy, a quarterly journal on international economic developments launched last October by the Trade Policy Research Centre.

Professor Corden says that in the debate over the duties of surplus countries — a constant feature of recent international economic meetings — the distinction between demand expansion and output expansion does not appear to be clearly understood.

He argues against the view that nominal demand expansion can reduce unemployment and under-utilisation of capacity. "The cause of unemployment at present may well be mainly structural," remediable by "imaginative micro policies rather than crude macro ones."

This idea might have some short-term validity, but—"the effect would not last and, more important, it would do so at the cost of increased inflation."

The argument is put in terms of a dialogue between a supporter of expansion by the surplus countries and a sceptic.

In response to the fear of potentially adverse balance-of-payments effects, Professor Corden says that "exchange-rate flexibility can insulate an economy from monetary policies and disturbances abroad, and therefore, there is nothing to stop any country expanding nominal demand as much as it wishes, and then devaluing appropriately to avoid adverse balance-of-payments consequences."

He says a devaluation should improve the balance of payments. "Exports increase and the balance of payments improve in response to a real devaluation."

On the import side, given time, price elasticities are not low and, on the export side, short-term adverse effects on the balance of payments justify foreign borrowing, secured by the likelihood of an improvement later in the current account of the balance of payments, Professor Corden argues.

He agrees devaluation may generate a bigger rise in domestic costs and prices than would have resulted from the expansion if the exchange rate had stayed fixed. But "some domestic inflation is the inevitable cost of economic expansion."

Expansion by the major economies cannot worsen the terms of trade of all other countries, Professor Corden says.

*The World Economy, volume 1, number 2, January 1978, Trade Policy Research Centre, 1, Gough Square, London EC4A 3DE.*

# Power deal discussed

BY CHRISTOPHER DUNN

THE Central Electricity Generating Board may buy an extra 3m. to 4m. tons a year from the National Coal Board, after tripartite talks between the Boards and coal unions, Sir Derek Ezra, Coal Board chairman, said yesterday.

The increase in business with the Generating Board, already the Coal Board's biggest single customer, could start in April.

Last year, out of total Coal Board output of 120m. tons, the electricity industry bought 75m. tons. Generating Board purchases accounted for 90 per cent. of this.

"This is exactly the kind of opportunity we must seize if we are to reverse recent trends," Sir Derek Ezra said. Similar opportunities for expanding coal business in other markets were bound to crop up.

An important proviso in the deal, stipulated by the electricity authority, is that the quality and price of coal supplied must be acceptable.

Sir Derek was confident the Coal Board could meet these specifications. He told Mr. Glyn England that more coal could be supplied if the electricity industry required it.

# Barclays credit card coverage extended

BARCLAYS BANK is to extend the coverage of the company credit card scheme which its Barclaycard operation has been piloting since March last year.

The service is now to be made available throughout the bank's network of over 3,000 branches. So far some 1,800 companies have joined the scheme and 10,000 cards have been issued.

The company Barclaycard scheme is now also being made available to partnerships and other unincorporated businesses. This has not been the case under the pilot scheme.

As an extra facility, the company name as well as the cardholder's can now be embossed on the card where the company wishes, though where this is done the card will not function as a cheque guarantee card as well as a credit card.

Under the Barclaycard system, a company specifies the total credit limits and allocates to each cardholder enough to cover business expenses likely to occur over a six-week period. The minimum credit limit for company cards is £100.

# The mile wins a reprieve

THE English mile appears to have been given a reprieve. Mr. William Rodgers, the Transport Secretary, told Parliament yesterday there was no possibility of road signs being changed to kilometres before 1985.

Technically, Britain is under obligation by the treaty of accession to the EEC to review metrication of distances next year, but the Department of Transport is heavily playing down the possibility of a switch. Ways of escaping the treaty obligation will be explored.

### Air fares talks

The world's major airlines flying the North Atlantic met in Geneva yesterday to try to fix new low fares to compete with Laker Skytrain service. The meeting is expected to last several days.

### Tax plan attacked

Mr. Nicholas Goodison, Stock Exchange chairman, said the 20 per cent. relief from Capital Transfer Tax for minority shareholders, which the Chancellor foreshadowed in his October mini-budget, would discourage companies from going public.

### Co-op honour

Sir Arthur Sugden, chief executive of the Co-operative Wholesale Society, has been elected president of the Co-op Congress for 1978, the movement's highest honour.

# Which? backs British cars

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH CARS are no less reliable than foreign ones, according to a 26,000-car survey reported to-day in the latest edition of the Consumer Association magazine Motoring Which?

The magazine's conclusion goes some way to confirming the recent claims of British manufacturers that the quality of their products has improved over the last few years.

"But there are differences in reliability between different makes, and it is a depressing fact that all the makes which are consistently more reliable than average are foreign. However, that does not mean that all foreign cars are reliable."

Nor did it mean that a car with good reliability necessarily would be cheaper to service and repair. Spares, for instance, might cost a lot more.

However, "lower garage bills do not really compensate for the inconvenience of a car letting you down."

A potential buyer's chance of finding a trouble-free car of any age was "pretty slim," the magazine said.

Three out of four one-year-old cars had at least one fault, and this rose steadily to more than nine out of ten cars having at least one fault when only five years old.

Electrical systems and accessories gave users the most complaints, with paintwork and bodywork also troublesome.

The survey showed that 28 per cent. of all cars a year old broke down. This rose to 35 per cent. in two-year-old cars and reached a peak of 52 per cent. in cars eight years old.

Datsun, Toyota and Volvo cars proved more reliable than average. Of the makes which had proved less reliable than average, Chrysler U.K., Fiat, Vauxhall and some Reliants and Skodas were named.

# British Rail shows art

By Antony Thorncroft

TWO of the finest items in the British Rail Pension Fund's controversial investment in works of art have been put on show at the Victoria and Albert Museum. They are Picasso's "Blue Boy," bought in New York a year ago for $1m. and Renoir's "Portrait of Cezanne," a pastel not generally known to be part of the Fund's collection.

The Pension Fund, advised by Sothebys, has invested nearly £20m. in art treasures over the past few years.

# Pinchin to trade in gilt-edge

BY MARGARET REID

PINCHIN DENNY, one of London's largest stockjobbing concerns, is to begin trading in the booming gilt-edged market, where its entry will raise the number of jobbers—the Stock Exchange's wholesalers — to three.

The move will mark an important development in the structure of the stock market's activities.

The decision by Pinchin to join Wedd Durlacher Mordaunt and Akroyd and Smithers in making a market in the major Government stocks sector has been taken against the background of buoyant business in this field for some time.

Last year, admittedly an exceptional one, deals in gilt-edged securities accounted for more than four-fifths of the value of all transactions on the Stock Exchange.

Pinchin, which is a private partnership, and will remain one, has concluded that it can no longer afford to stay out of such an important area of stock market trading. The partnership has decided that it cannot prosper as it would wish in the long-term without widening its range in the manner proposed.

The move by Pinchin will also assume significance in the context of the present Stock Exchange structure examination by the Monopolies Commission, which is probing the projected merger of two other large jobbers — Smith Bros. and Bisgood Bishop.

Pinchin, which has 31 partners, is seeking a £20,000-a-year senior executive to run the proposed gilt-edged section.

The firm — now trading in equities and prior charge stocks, including debentures — intends to operate in gilt-edged stock this year. Assuming that the right candidate for the job is found, Pinchin will expect to start trading by late-summer or autumn.

# Estate agents sue Marples

ERNEST MARPLES of Wallasey, formerly Mr. Ernest Marples, the Conservative Transport Minister, is being sued by a firm of London estate agents for alleged non-payment of commission on the sale of £230,000 worth of property he once owned.

Frederic Towning Real Estate Company of Bayswater in London are claiming £6,900 from Lord Marples, whose address is given simply as "a village in Switzerland."

## APPOINTMENTS

# Palau to head IDV export companies

Mr. Geoffrey Palau, deputy-chairman, INTERNATIONAL DISTILLERS AND VINTNERS, will be taking over as chairman of its export companies from April 1 in succession to Mr. D. B. E. Belson, who retires from the IDV Group at the end of March.

*

Mr. David W. Wylie has been appointed chairman and president of STERLING-EUROPA in succession to Mr. C. R. B. Williamson, who has resigned to pursue a literary career. Mr. Eric E. Barber has become chairman of Sterling-Winthrop Group in place of Dr. ...

*

Mr. W. A. Weddle has been appointed managing director of TI MACHINE TOOLS, a new company being formed to bring closer together the manufacturing, facilities and sales expertise of the machine tool companies within the TI Machine Division. Mr. G. A. ..., managing director of that division, will be chairman of the company. Other Board appointments are: Mr. B. R. Bottomley (managing director, TI Matrix); Mr. P. Henderson (managing director, TI Machines International); Mr. B. Hodgson (managing director, TI Churchill); Mr. G. K. E. McCall (managing director, Rockwell-Bennett companies); Mr. J. A. Clarke (finance director)—Mr. Clarke will also be chairman of the TI Machine Division Finance Committee; Mr. D. R. Greenway (director and secretary).

*

Mr. Ian J. L. Addison has been appointed chief executive of PD PROCESS ENGINEERING, a division of the Powell Duffryn Group company, PD Pollution Control. He joins the company from SPP Systems, where he was marketing manager.

*

Mr. Harold W. Bathurst has been appointed deputy managing director of LCP STEEL PRODUCTS, which he joined as commercial manager in 1973, when the company was known as Longmore Brothers. He was appointed a director in the same year, being responsible for all aspects of administration, sales and production within the Tubes Division.

*

Mr. Michael S. Scott, previously general manager, has been appointed managing director of TEES STORAGE COMPANY, which is jointly owned by Unitank Storage Company, a Tate and Lyle subsidiary, and Gebr. Broere of Dordrecht, a subsidiary of Tenneco of the U.S.

*

Mr. Charles Ball, former chairman of Barclays Merchant Bank is joining the ROCKWARE glass group as a non-executive director. The appointment is the first taken by Mr. Ball since he formally left Barclays in November.

*

Mr. Denis Jackson has been appointed secretary and director of administration of the CONFEDERATION OF BRITISH INDUSTRY at its London headquarters from April 1. He succeeds Mr. Eric Felgate, who is retiring. Mr. Jackson is a former Civil Servant, who served in the Treasury for some years before moving to the Foreign and Commonwealth Office in 1965 to advise on management services and administration. Mr. Felgate, who is retiring after 31 years' service, will continue to serve the CBI in a part-time consultative capacity.

Mr. Colin Draper has resigned as chairman and a director of CORNHILL ISURANCE because of full-time commitments in the U.S. Mr. David W. G. Sawyer, at present deputy-chairman, has been appointed chairman. Mr. Julian T. Faber has been re-elected to the Board.

*

SIR JOSEPH CAUSTON AND SONS: Mr. Michael Hook has rejoined the Group as London division marketing director.

*

Mr. R. I. J. Agnew has joined the Board of C. TENNANT SONS AND CO.

*

Mr. George Edwards, who is presently London director of the Scottish Council (Development and Industry), has been appointed public affairs co-ordinator for CONOCO in Scotland. After an initial period in the London office, Mr. Edwards will be based at the new Northern Operations headquarters of Conoco North Sea Inc. in Aberdeen. He will join Conoco following the opening in February of the new Scottish Centre in London, a project with which he has been closely involved.

*

M. AND G GROUP. Mr. S. G. Ayre, Mr. H. J. Haden and Mr. R. A. Jennings have been appointed to the Board of M and G Securities. Mr. J. A. Cornes has been made a director of M and G Investment Management and Mr. P. T. Herbert a director of M and G Administrative Services.

*

MORGAN GUARANTY TRUST COMPANY OF NEW YORK has announced the promotion to vice-president of Mr. Ralph J. Bunche Jr. and Mr. Hamilton L. Shields Jr. Mr. Alan H. Lowe has been appointed an assistant vice-president. All three are assigned to the bank's London office.

## LABOUR NEWS

# BSC-union pact on Board plan

BY CHRISTIAN TYLER, LABOUR EDITOR

THE LOSS-MAKING British Steel Corporation has achieved a breakthrough in industrial relations by winning union agreement in principle for a tripartite Board and a new consultative and negotiating structure.

At a secret meeting held at Lake Windermere, union leaders agreed to set up working parties to develop what Sir Charles Villiers, BSC chairman, has called the "steel contract."

The idea is that in exchange for involvement at all levels in the strategic planning of the corporation, unions would co-operate in long-term productivity improvements, some devolvement of wage bargaining to local level, and, the corporation hopes, a lessening of inter-union tensions.

These are long-term reforms, for the early 1980s, and are separate from the discussions now going on at local level about early closure of high-cost steel plants and lower manning across the industry.

Under the proposals, a new tripartite supervisory policy Board would be created, composed of worker-directors, a management-Government team, and business representatives.

Some of the existing worker-directors from divisional Boards would probably be included in the policy Board.

Alongside would be a national consultative body, the steel council, with about 100 members, 70 of them from the unions. This would be the top tier of a structure with reformed divisional and works councils

The recently-expanded TUC steel industry committee would act as the steel council's executive arm.

BSC has failed to persuade the unions to use the steel council as a central negotiating body.

Because of this and the inter-union arguments about representation on the expanded TUC committee, progress on the "steel contract" has been much slower than Sir Charles envisaged when he took over in September, 1976.

Nonetheless, the step-by-step approach of the new management to BSC's industrial relations and economic problems appears to be bearing fruit.

The corporation has now persuaded the unions not only to allow local negotiations on voluntary redundancy but has made progress on a significant extension of worker participation despite the industry's crisis and the threat to jobs.

# Firemen face rows over work in strike

By Alan Pike, Labour Staff

RECRIMINATION arising from the two month long strike will begin immediately after to-day's Fire Brigades Union delegate conference, which is expected to call off the action.

Disciplinary proceedings against union members who have worked during the stoppage will begin as soon as there is a return to work. This was emphasised by union leaders last night as delegates began arriving for the conference.

In four brigades, London; West Midlands; Tyne and Wear; and West Yorkshire, the union has closed-shop agreements, and disciplinary action which led to expulsion would put non-strikers' jobs at risk.

Local authority employers will watch the progress of the proposed disciplinary proceedings closely, since the peace settlement which delegates will be asked to endorse to-day contains a clause stipulating that there should be no recriminations.

It is expected that delegates will adopt the proposed new peace formula, giving firemen comparable pay to skilled manual workers in industry by November, 1979, by a majority of up to three to one.

# TUC seeking tax cut for all

BY CHRISTIAN TYLER

THE TUC yesterday reaffirmed its demand for the reintroduction of a reduced rate band of income tax—a proposal that has every chance of being met by the Chancellor of the Exchequer in his spring Budget.

Both the nature and the size of this tax reduction sought by the TUC square with the Chancellor's own Budget thoughts.

The TUC, as part of a £3bn. reflation of the economy, wants a £2.1bn. income tax cut in the form of a 25 per cent. tax rate on the first £1,000 of taxable income.

With the standard rate now 34 per cent.—the highest starting rate in the world—that would mean a £100 a year cut for all 21.4m. taxpayers.

It would not mean automatic adjustment of the tax bands, unless the Chancellor decided to adjust those too. At present taxpayers leave the standard rate at £6,000 a year.

The TUC argues that the other method of helping the low-paid to escape the so-called poverty trap—by raising the personal allowances and threshold—has already been used twice in the past 12 months, and has been reinforced by the Rooker-Wise amendment to the last Finance Act.

It now wants to level down the incidence of tax for those left in the tax net.

The decision to press for a reduced rate band at a meeting with the Chancellor later this month was taken at a meeting of the TUC economic committee, which was considering its annual economic review.

But there was no discussion of pay at the meeting, despite the Prime Minister's recent advocacy of 5 per cent. settlements for the next wage round and the ideas for permanent incomes policies floated by the Chancellor and other Ministers.

The economic review itself is unlikely to contain any assessment of collective bargaining developments over the year or even to re-state the TUC's policy commitment to free collective bargaining. Mr. Ken Gill, general secretary of TASS, the white-collar section of the Engineers raised the point yesterday, but it was not taken up.

The other £1bn. of reflation sought by the TUC comprises mainly demands for the extension of the Temporary Employment Subsidy, due to expire on March 31, and the widening of the £20-a-week job expansion subsidy, which at present is confined to small firms in special development areas.

Also on the list is an increase in retirement pensions on top of their annual adjustment for inflation, and a special increase in the child benefit.

The economic review will be published after next month's meeting of the economic committee and general council, and will take into account the Government's public expenditure plans to be published in a White Paper this afternoon.

# Hailwood peace bid fails

By Philip Bassett, Labour Staff

ATTEMPTS to set up talks between Ford management, shop stewards and union officials to settle the unofficial strike by 1,000 men at the Hailwood car plant on Merseyside failed yesterday.

The body plant press shop strikers—whose action over new work schedules and practices has caused 8,000 men to be laid off and stopped production of Escorts—meet again next week, but no further management-union meetings are planned.

Fresh efforts will be made to-day to settle Merseyside's other car dispute, the 11-week strike by 2,000 men at British Leyland's factory at Speke.

Production at Ford's Dagenham plant was back to normal yesterday after a strike by 150 workers over the sacking of a shop steward. Most of the men went back to work after Ford management sent them telegrams urging them to end the strike.

# Scots Labour conference to debate jobless policy

BY RAY PERMAN, SCOTTISH CORRESPONDENT

DEMANDS that the Government take immediate steps to reduce unemployment, and calls for a cut in the working week to 35 hours, seem likely to dominate the Scottish conference of the Labour Party, to be held in Dunoon in March.

Four trade unions—the engineers, electricians, transport workers and railmen—will head the call to find an "alternative strategy" to reduce the number of unemployed. Unemployment in Scotland is now 8.1 per cent. and has been rising against the U.K. trend.

In resolutions published yesterday, the Amalgamated Union of Engineering Workers records its concern at the unacceptably high level of unemployment, particularly among young people, and calls on the Government to return to the 1974 manifesto commitment to "an irreversible shift of wealth and power to working people and their families."

It also demands that the Government should introduce the 35-hour week in nationalised industries, local authorities and the Civil Service.

Other motions, while endorsing the call for a shorter week, demand early retirement, work-sharing with no loss of pay, and an increase in public spending, particularly in construction and through the Scottish Development Agency.

The Prime Minister is to address the conference. The resolutions reflect the growing concern among the party and the unions over unemployment, rather than prices or wages. Only a few motions mention pay restraint.

On devolution, there are demands that the party should campaign vigorously in favour of the Government's proposal to set up a Legislative Assembly in Scotland before the referendum next autumn, and that the Government should insert a second question on the ballot paper asking Scots if they want independence as proposed by the Scottish National Party.

● The Labour Party in Scotland is to use the conference to launch a year-long internal debate on a Scottish Assembly.

Mrs. Helen Liddell, Labour's Scottish Secretary, said yesterday that a statement of intent would be published by the Scottish Executive before the conference, providing the background for a detailed manifesto for the first Assembly elections, due in spring next year.

# Move to end Brent oilfield pay protest

By Our Labour Staff

UNION OFFICIALS are flying out from Aberdeen to-day to the Shell-Esso Brent "B" oil platform off the Shetlands to try to settle a dispute over back-wages involving 90 construction workers.

The men, who have been sitting-in since Saturday on an exploration rig moored alongside the platform, work for the Aberdeen-based company of P and W Offshore Services, which last summer was awarded a £7m. contract for construction and production hook-up facilities on Brent "B."

# Mass meeting at Swan Hunter

A MASS meeting of Swan Hunter's 1,700 outfitters—their first for six weeks—has been called for to-day at Wallsend, raising hopes that the men might decide to lift their five-month overtime ban and still save part of the Polish ship order for the Tyne.

The decision to call the mass meeting followed another day of talks yesterday between management and shop stewards.

# Mersey dock strike ends

By Our Labour Staff

LOADING and unloading of cargo ships in Liverpool docks will resume this morning after a mass meeting of dockers voted yesterday to end their unofficial strike in a dispute over Christmas absenteeism.

About 4,000 of the total 7,000 dockers involved decided by three-to-one to accept a new peace formula from the port employers. The strike began on Monday.

# Vote for pit incentives likely

BY PAULINE CLARK, LABOUR STAFF

PROSPECTS mounted yesterday of a significant vote in favour of mining incentive schemes among Yorkshire miners as a number of collieries in the militant Doncaster area indicated a change in attitude.

As the new pit-head ballot got under way, the National Coal Board reported "several" inquiries from collieries which previously represented the hard-core opposition in Yorkshire to productivity bonuses.

In addition, the past two days has seen four more collieries in South Yorkshire making applications for the introduction of incentive schemes. This has raised the total number to have either formally or informally expressed interest to nearly 30.

There are 66 collieries in the Yorkshire area employing about 60,000 miners. In the previous national pit-head ballot on the issue, the area voted 77 per cent. against introduction of productivity schemes.

On the first day of the new two-day ballot, South Wales miners' leaders announced that they would postpone their decision on the issue until next week.

Although the prime reason was said to be lack of sufficient information on the scheme at present, it was clear that the miners preferred to wait until the result of the Yorkshire vote.

This is not expected to be known until next Monday, however, because of the need to transport the ballot papers from Yorkshire to London for counting by the Electoral Reform Society.

If Yorkshire backed down, South Wales would be unlikely to stand alone against the scheme and in defiance of the executive of the National Union of Mine Workers which has decided to allow the introduction of productivity deals on an area basis.

Mr. Arthur Scargill, the Yorkshire area's left-wing president, has said he will not make another recommendation for rejection.

This, coupled with a question in the ballot on whether miners who vote against the scheme will be prepared to take industrial action, is expected to contribute to a significant swing in favour of going along with the policy adopted by miners elsewhere in the country.

# PARLIAMENT and POLITICS

## Think Tank proposals criticised by Soames

By Reginald Dale

A COMMONS Select Committee yesterday heard sharp criticisms of the controversial Think Tank report on Britain's overseas representation from two former senior ambassadors.

Sir Christopher Soames who served in Paris from 1968-1972 and Sir Fred Warner, Britain's Tokyo representative from 1972-1975 clearly felt that the youthful team responsible for the report had little experience or understanding of how diplomacy worked in practice.

Sir Fred, now prominent in business and City circles, attacked the report for assuming that the Diplomatic Service lacked expertise in export promotion. In fact it was the main source of such skills.

Sir Christopher, former vice-president for external relations at the EEC Commission, said there was a good deal worth thinking about in the report. But the suggestion that diplomats based abroad could increasingly be replaced by people sent out for short periods from London was "beyond all mention."

Such visitors could have no influence in the country concerned, Sir Christopher said. In his experience, Foreign Office personnel were often more competent than people from home departments.

Both men criticised the proposal that a new unitary body should be created to oversee the country's numerous export promotion bodies under a Minister of State.

Sir Fred said that many people who criticised diplomatic entertainment misunderstood its purpose. They did not appreciate it was an extension of the diplomat's work in trying to get close to the people he was dealing with.

Professor James Barber, Professor of Political Science at the Open University, told the committee in written evidence he was critical of three broad assumptions underpinning the report. These were the degree of concentration on economic achievement, making it virtually the sole criterion for external activities, the confusion over "power" and "influence," and the narrow interpretation of the national interest.

## Tory MP beaten by 22 in closed shop protest

BY IVOR OWEN, PARLIAMENTARY STAFF

ANOTHER SKIRMISH over the closed shop yesterday ended in defeat for Mr. Ian Gow (C., Eastbourne) in his bid to introduce a private member's Bill to provide compensation for workers who are sacked for refusing to join a trade union.

His proposed Closed Shop (Compensation for Wrongful Dismissal) Bill was rejected in the Commons by a majority of 22 (184-162).

Mr. Gow, who was supported by Mrs. Margaret Thatcher and other Conservative leaders in the lobby, again strongly criticised British Rail for sacking workers with long periods of service solely because they had refused to join a trade union.

He stated that after concluding a closed-shop agreement with the rail unions, British Rail had embarked upon a programme of dismissals. In all, 40 employees had been dismissed, simply because they objected to joining a trade union.

Because the provision in the 1974 Trade Union and Labour Relations Act giving an employee the right not to join a trade union on reasonable grounds had been repealed by amending legislation in 1976 such dismissals were regarded as fair.

There were cries of "Shame" and "Shocking" from the Tory benches when Mr. Gow underlined the fact that two of the men dismissed had served on the railways for more than 39 years.

Another seven had worked with British Rail for between 13 and 19 years, and five had been engaged on the railways between 29 and 38 years.

"No fair-minded person could possibly believe that it is fair to dismiss, without compensation, a man who has carried out his duties to the entire satisfaction of his employer and to the entire satisfaction of his fellow employees," he declared.

Mr. Gow said the terms of his Bill would provide that the dismissal of employees in such circumstances was unfair and that compensation should be paid to them. Some of the men sacked by British Rail had been aged 59 or 60 and this had heightened their difficulties in finding other jobs.

Opposing the Bill, Mr. George Rodgers (Lab., Chorley) accused Mr. Gow of being "obsessed" with the closed shop and totally disinterested in the freedom of a worker to join a trade union if he so desired.

The only freedom in which Mr. Gow and many of his colleagues believed was that which would allow unscrupulous employers to maximise their profits through low wages and poor working conditions, he alleged.

The proposals in the Bill would be a boost for the "free loaders" who were prepared to accept all the advantages secured by the struggle and sacrifice of their workmates in trade unions.

Mr. Rodgers accused Conservative MPs of being selective in their concern over the closed shop. They said nothing about the position in the medical and legal professions. Even though Conservative policy on the trade unions seemed to vary from week to week, there was no indication that it was intended to introduce legislation to ban the closed shop.

Stressing that the closed shop had long been part of the industrial scene in Britain, Mr. Rodgers reminded the Tory benches that it was preferred by a great many employers as well as trade unionists.

The proposed Bill would wreck the prospects for wide-ranging industrial agreement and would prove to be a recipe for industrial chaos.

## Judge motion 'not abuse of Commons procedure'

BY IVOR OWEN

A COMPLAINT by Mr. Nicholas Ridley (C., Cirencester and Tewkesbury) that the Parliamentary motion signed by 71 Labour MPs calling for the dismissal of Judge Neil McKinon constituted an abuse of the procedure of the Commons was rejected by the Speaker, Mr. George Thomas, last night.

The Speaker said that the motion was "entirely within order."

Mr. Ridley argued that the motion tabled in the wake of Judge McKinnon's controversial summing-up in the "niggers, wogs and coons" case was in conflict with the concept that the House should not seek to interfere in a judicial judgement.

It related, he said, to a specific judgement—and there was no suggestion that it was a criticism against the conduct of a judge—over a period of years.

Mr. Ridley contended "If Judge McKinnon had incurred criticism becaus of his personal or private behaviour over a long period of time, this would be a proper procedure for the House to adopt. That is not the case."

He claimed that the issues involved where of such fundamental importance that the matter should be referred to the House of Commons Procedure Committee.

If such motions became a regular feature, he suggested it would be possible to hector, bully, criticise or threaten a Judge with dismissal on the occasion of any judgment that did not meet with the favour of MPs in all parts of the House.

After stressing that the motion was in order, the Speaker pointed out that the question of a reference to the Committee of Procedure could itself be the subject of a motion.

## Dog wardens plan studied

THE SETTING UP of dog warden schemes is being urgently studied, Mr. Denis Howell, Environment Minister of State, said in the Commons yesterday.

He told MPs that he was looking at the idea following the report of the working party on dogs, which recommended that dog warden schemes be operated at district council level. An announcement on the report would be made soon.

## Need for Ulster confidence stressed

BY PHILIP RAWSTORNE

MR. ROY MASON, Northern Ireland Secretary, yesterday emphatically declared that the future of the province was a British Government responsibility.

In an indirect reference to Mr. Jack Lynch's call for a united Ireland, Mr. Mason said that the Government had sought to establish confidence in Northern Ireland in its determination to do everything possible in the economic and security fields to ensure the earliest possible return to normality.

"It is not helpful if others outside the U.K. make comments which have the effect of damaging that confidence."

Mr. Mason, speaking at a lunch given by the American Chamber of Commerce in London, was applauded for his remarks.

He said that the basis of political change in Northern Ireland depended on the willingness of the parties to work together. "I cannot forecast that this will happen in 1978 but I sincerely hope that it does."

He added: "It is the Government's policy to establish a devolved administration in Northern Ireland which will have real powers. To achieve this, the parties must work together with an understanding and respect for their differing points of view."

Mr. Mason said that the "severe reduction" in the flow of money and material from IRA sympathisers in the U.S. had been an important contribution to the improved security situation in the province.

Northern Ireland now presented more industrial investment advantages than anywhere in the EEC, he said. Sectarian troubles were not brought to the factory floor. Industrial relations and productivity were the best in the U.K. and the province could offer more generous and flexible incentives than any other area in Europe.

Official Unionist leaders are to meet in Belfast to-morrow to review their decision to withdraw from the talks with the British Government after considering Mr. Mason's statement in the Commons to-day on the issue.

The Northern Ireland Secretary, in answer to questions, is expected to reiterate his criticisms of Mr. Jack Lynch's intervention and to reaffirm the main lines of the Government's policy.

Unionists are likely to demand that future talks should be restricted to forming a new upper tier of local government in the province to which the Social Democratic and Labour Party would be opposed.

Our Belfast Correspondent writes: Ulster's Roman Catholics have had a raw deal in jobs compared with the Protestant majority, according to a research paper published by the Northern Ireland Fair Employment Agency.

The agency, set up last year in a bid to eliminate religious and political discrimination in jobs, says that the level of unemployment experienced by Catholics was two-and-a-half times greater than that found in the Protestant community.

Mr. Bob Cooper, chairman of the agency, said that the research had identified the problem. That was the first step towards finding out how to solve it.

## Growing power signals confrontation

## MPs find strength through truculence

BY RUPERT CORNWELL

"ONCE IS happenstance, twice is coincidence. The third time is enemy action." The Government to-day must be anxiously reflecting along the lines of that celebrated aphorism, coined by the late Ian Fleming, as it wonders how to react to an unprecedented challenge to the political executive in Britain.

Had the demand of a Commons Select Committee to see confidential correspondence relating to the financial plight of the British Steel Corporation been an isolated incident, Ministers might have been able to shrug it off. The signs are, though, that it is not.

The frustration and anger felt by the MPs at the obstacles placed in the way of their inquiry into the affairs of BSC contain the germs of a constitutional confrontation which could, and one must emphasise the word "could," redefine the traditional relationship between legislature executive and Whitehall.

It is a confrontation which has been implicit in a recent pattern of more truculent behaviour by Parliament, culminating in the successfull all-party rebellion to force a public inquiry into the Crown Agents scandal, against the wishes of the Government. To-day, the conventional wisdom that the Commons is little more than a rubber stamp of Cabinet decisions looks less wise than for a very long time.

The origins of this fascinating state of affairs can be traced back to the autumn of 1976, when Mr. Michael Foot, Leader of the House, was trying to railroad through Parliament five controversial Bills at the same time. His use of Commons procedure was reckoned then to have been even more cynical than that of the Conservatives, a few years earlier, over the European Communities Bill.

Finally, however, as the standing of Parliament in the eyes of the public continued to ebb, the fragile edifice gave way as two Labour MPs decided that enough was enough. With hindsight, the decision by Mr. Brian Walden and Mr. John Mackintosh to abstain on a key division—resulting in the emasculation of the Dock Work Regulation Bill—probably marked the resistance movement's beginning.

The power of individual MPs had been dramatically illustrated, and within a month or two the remaining power of the single party machine disappeared as Labour lost its own majority. Figures like Mr. Frank Maguire, MP from Fermanagh and South Tyrone, assumed a vital role in the Government's Parliamentary arithmetic. Inexorably, the Lib-Lab pact followed and promised measures vanished along with the Commons majority.

Undoubtedly, also, the rebellious instincts of MPs were encouraged by the fact that practically the only major Bills to survive were constitutional. On these, backbench trouble is bound to be expected and almost invariably occurs as shown by the collapse of the first devolution Bill at the hands of 43 Labour dissidents. With the Crown Agents, the slumbering Parliamentary lion rubbed an eye. Over BSC, it has perhaps shown its claws.

Nevertheless, there is still a long way to go before Parliament can claim any lasting victory. The first impediment, of course is the Government itself, which still exerts massive control over the business of the Commons, buttressed by the personality of Mr. Foot.

Terry Kirk

Mr. Michael Foot: A reverence for the chamber of the Commons.

"Michael is a dear friend, but really a Parliamentary crustacean," is how one Labour MP describes the Leader of the House, who can be confidently expected to oppose any shift in the existing balance between the floor of the Commons and the Committee Rooms upstairs. Nor is he alone in his stubborn reverence for the Chamber itself as the only truly sacred ground of British democracy.

Yet the truth of the matter is —and it is at this point that the steel committee clash gains real importance—that the best way of enhancing the authority of the Commons is by strengthening its Select Committees. There, MPs can work together across party lines far more effectively than on the floor of the House, physically constructed, it would seem, to encourage adversary politics.

This is not the place to rehearse the now familiar arguments of Mr. Edward du Cann and others for a revamped structure of committees, with vastly increased back-up facilities, and so on. The crux of the problem is two-fold: the will of a committee to exert its authority and its means of doing so.

The sub-committee of the Nationalised Industry Committee has amply answered the first point, with its demand to see letters exchanged over the past two years between Industry Secretary, Eric Varley, and Sir Charles Villiers, of the British Steel Corporation, which, it believes, could answer the riddle of how BSC's forecasts went so awry.

A marked difference, indeed, from the past, when Select Committees have at times seemed to fall over themselves not to upset Very Important Witnesses. The second question, though, is more problematic.

What the MPs have done is to *recommend* "that an humble Address be presented to Her Majesty that she will be graciously pleased to give directions that there be laid forthwith before this House by the Secretary of State for Industry a Return of all papers relating to the future prospects for the British Steel Corporation . . ." In essence, these flowery phrases mean that the committee has to secure the endorsement of the House before its demand can be met.

This time, the Commons may have its way, although the Department of Industry is trying to work out an acceptable formula, and Tory support will be vital for the pressure to succeed. But to cut the process short, many MPs are attracted by the American practice of giving Select Committees the power directly to subpoena witnesses and evidence they require. Such a proposal has been looked at by the Procedure Committee, which is due to report this year on ways of improving the workings of Parliament, but a general election could come before the publication of its findings.

In the meantime though, something in the jungle has stirred, and Ministers would be very unwise to misread signs of a new mood at Westminster.

## Time for devolution Bill 'a scandal'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MPs ON both side of the Commons last night combined forces in a furious attack on the Government over the lack of debate on the crucial financial positions of the Scottish devolution legislation.

They claimed that it was an "absolute scandal" that on the previous day almost the entire financial section of the Scotland Bill had gone through the committee stage without MPs having the opportunity to discuss individual clauses.

Of the 19 financial clauses, only one had been debated before the guillotine was brought down at 11 p.m. on Tuesday. The result was that when the committee stage resumed yesterday Mr. Michael Foot, Leader of the House, who is in charge of the Bill, faced a barrage of criticism, not least from his own backbenchers.

It was pointed out that when the legislation goes to the House of Lords, the peers will not be able to amend the clauses because they deal with financial matters. MPs were also disturbed at the implications for the referendum, which will be held once the legislation is approved.

They wanted to know how the Scottish electorate could possibly understand what it was voting on if the financial heart of the Bill had not been adequately debated in public.

They wanted a promise that there would be a chance to debate the financial clauses at a later stage of the committee. But Mr. Foot told them that no more time could be added to the 14 days allowed for debate under the guillotine. He would only say that the subject could be raised in the business committee which decides the way that the Bill should be debated under the guillotine.

From the Opposition front bench, Mr. Francis Pym, shadow Leader of the House, declared: "What is happening here is a procedure which is quite literally unacceptable and unjustifiable. The Government has, in fact, caused Parliament to let the United Kingdom down." As a result, he said, vital matters in the Bill were now unamendable and could not be discussed in either the Commons or the Lords.

A similar line was talke by Mr. Eric Heffer (Lab., Walton), who said: "It seems absurd that it can go through this House without any discussion at all. What on earth are we doing?" He called on Mr. Foot to reconsider his attitude and said: "It is an absolute scandal what is happening to this Bill."

Mr. George Gardiner (C., Reigate) thought there was a danger that a similar situation could arise during the section of the Bill which the House was starting to discuss last night. This deal with powers to be devolved to the Scottish Assembly and those to be retained by Westminster.

"It would be a scandal of the first order if matters of this kind are to be excluded from discussion," he protested.

The sole voice raised in support of the Government was that of Mr. Douglas Henderson (SNP, Aberdeenshire) who alleged that some MPs were merely inciting the House of Lords to destroy the Bill and hold it up unnecessarily.

The leading Labour anti-devolutionist Mr. Tam Dalyell (West Lothian) pointed out that under the Bill there was to be a new post of Scottish Comptroller and Auditor General. But the Commons had not had an opportunity to discuss that at all.

## Homeless row settled

AN ORDER dealing with homeless people which the Government had been forced to delay was approved by a Commons Standing Committee yesterday.

Debate on the order was adjourned before Christmas following protests by MPs. The row was over a report by a Lords and Commons scrutiny committee criticising administrative arrangements in the order.

MPs complained that they had not had time to consider the report.

The Order relates to the Housing (Homeless Persons) Act which lays an obligation on local authorities to accommodate homeless people. The Act came into operation in England and Wales on December 1, and is due to come into force in Scotland on April 1.

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# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POWER

## Smoothing out the fault currents

WITHIN the next two to three months, tests will begin on a prototype of a fault current limiter which is probably the first proposed fully commercial unit to use superconductive elements as a matter of routine.

A fault current limiter is a device which will prevent unwanted power surges from propagating through a network or between one system and another and thus will make interconnection and reinforcement of grids much easier to achieve at reasonable cost, even when very high currents are involved.

The alternative of replacing or modifying switchgear is extremely expensive and, until the new development by Parsons Peebles, the use of fault limiters based on saturated iron cores demanded heavy dc current for the bias windings if they were to be employed on high power systems.

Superconductivity, in which certain alloys drop to virtually nil resistance at low temperatures, is employed in the new bias windings of niobium titanium in a copper matrix cooled by liquid helium, to gain saturation of the iron cores economically.

The limiter will effectively absorb supply voltage so that overcurrent does not occur and do this smoothly—in contrast with stepped impedance switching—as the spike occurs so that faults are levelled out down the line. The spike itself, by overcoming the biasing voltage which keeps impedance low, causes impedance to rise and thus cancels itself out.

The superconducting winding is vacuum-impregnated with epoxy resin and in its cooled state has zero resistivity and the ability to carry a large current without power loss. The power supply is a current source.

Liquid helium is supplied in a closed cycle from a suitable refrigerator and helium gas resulting from boiling during operations is returned to a suitable compressor which feeds the refrigerator.

A storage tank would supply enough helium for unattended operation of one week, should the refrigerator system develop a fault, giving ample time for servicing.

The cryogenic technology is from International Research and Development, one of the company's associates, which has been working on superconductors and helium cooling for at least 15 years and has supplied a number of important experimental units, inter alia, to the Generating Board.

IRD and Parsons Peebles collaborated with Mr. K. C. Parton, a director of Philwin—trading as Advanced Computer Services — who was responsible for the basic concept.

What Parsons Peebles expects the equipment to offer is freedom to reinforce supply by more extensive interconnection without at the same time introducing many more incidents of fault currents and reinforce security of supply without the need to uprate switchgear etc.

It should be a boon in such fault-prone areas as New York State where "brown-outs," if not total power failures, appear to be a fact of life.

Further information on this significant development which has a considerable export potential, from Parsons Peebles Power Transformers, East Pilton, Edinburgh EH5 2XT. 031 552 6361.

● COMPUTING

## IBM at the small end

OFFICE Products Division of IBM United Kingdom has two new models in the Office System 6 range—the IBM Office System 6/452 and 6/442.

They will print carbon copies and multi-part forms, and handle special weights and sizes of paper and provide an impact printing alternative to the ink jet printer available with the Office System 6/450 and 6/440.

The new equipment is capable of producing, storing and distributing typed and printed material with minimum delay and effort. Both systems combine formating and revision features with an impact printer.

They also process information, sorting facts and statistics into reports quickly and simply. They can take care of administrative processing, amending, updating, sorting and re-arranging information as well as the routine office correspondence and memos.

A communications facility permits the rapid distribution of prepared text and information where needed, over telephone lines. One Office System 6 can communicate with another to exchange information, or to print in local offices a text prepared centrally. It can also link to suitably programmed IBM System/370 computers to gain access to files and information, or to serve as an output device where quality printing is required.

In Atlanta, U.S., General Systems Division has introduced an improved version of the company's portable (just) desk-top machine under the designation 5110.

IBM said the unit could be used in business applications, such as general ledger and accounts payable.

It is available with four main storage capacities, two storage media, and two programming languages and costs between $9.875 and $32,925.

More from IBM (U.K.) on 01-935 6600.

## Datasaab is on the move

FOLLOWING the merger in Sweden of Datasaab and Stansaab, Datasaab will be offering on the U.K. market the latter's well developed data terminal equipment, already in use in many Scandinavian centres.

The move reinforces the backing of Datasaab in the U.K. since the parent company moves off to a turnover expected to be considerably higher than the combined £65m. total for the separate companies in 1977. At the same time, Datasaab's U.K. company has increased its share capital by £1m.

The company, now having a staff of 100 which it is planning to expand, has a market base in Britain of 70 small business systems, 175 electronic accounting systems, 57 financial terminal networks and 51 paper tape data entry units.

It is proposing step by step to take over the maintenance of its hardware from Computer Technology, which has so far been providing this essential service on a sub-contract basis.

More from Datasaab at POB 105, North Circular Road, London, NW10 7TS. 01-903 3921.

## Into Japanese markets

INTERCO Business Consultants is taking a range of products from British companies to Japan in February as a first step in a market penetration campaign.

The products range from hard-copy printer terminals to electronic security devices and will be on the Interco stand at the Business Equipment Exhibition being held in the British Trade Centre, Tokyo, February 14 to 17.

Among the companies being represented are Transdata, Digico, Da[illegible] Recognition, and Mastiff Secu[illegible] Systems.

All compan[illegible] on the Interco stand are seeking to establish themselves in the Japanese market either by finding agents and distributors or through setting up licensing agreements to manufacture locally.

The Japanese computer market is estimated to be the size of the U.K. and German markets combined. The large machine sector is dominated by IBM and Fujitsu who both hold approximately 30 per cent. of the market. The minicomputer and terminal market is less developed and is expected to grow at a fast rate in the next five years.

Interco will use this first step into the Japanese market to investigate the possibility of running an exhibition of British hardware and software computer products to coincide with the Japanese National Computer Show in October.

At the same time Interco will be establishing its own office in Tokyo to provide marketing services in Japan.

More from the company on 01-549 9751.

● COMMUNICATIONS

## Tiger on phone watch

FIRST hotel version of Minster Automation's Tiger (Telephone Information Gathering for Evaluation and Review) has been installed by the London Hilton.

Hotel Tiger is minicomputer-based and is connected to the hotel's telephone exchange. It monitors activity on each of the hotel's 509 guest room extensions. When a guest dials an outside call, Tiger automatically begins charging on connection. When the call is complete the processor calculates the total cost of the call and records, on disc, the room number, the time the call commenced, the number dialled, the time the call was connected, the time the call was completed, and the hotel charge for the call.

Information transferred to disc during the day is analysed overnight, and the details of calls made from each room are printed out on a printer-keyboard located in the computer room. When a guest checks out, the cashier keys in the room number and the details are given of any additional calls made since the last overnight analysis.

A significant improvement in the efficiency of the guest billing system has resulted with immediate indication of any fault in the metering of outside calls from a hotel room.

Minster Automation is on 01-680 1977.

● SERVICES

## Testing jet engines

BASED AT Stansted Airport is a small company which has developed a highly specialised service in the aircraft maintenance field.

Kearsley Airways repairs, rebuilds and brings back to original specification aircraft hydraulic, pneumatic and electric components, ranging from navigation lights and alternators, to control surface servo-rams and landing wheel legs.

Parts for every type of aircraft are serviced, both military and civil from many countries, and the rebuilt equipment has to pass rigorous inspection to meet the various authorities' standards.

Much of the test equipment, and machines for renovating the components, were developed and built by the company, and the expertise this has provided in the control and measurement of high pressure oil flows, for example, has led to a "built-to-order" service for special test machines for aircraft maintenance.

The company can now build a range of fuel control system test stands, as well as machines for applying tests to hydraulic equipment. A test stand for fuel pumps and flow dividers (somewhat like a direct injection fuel system on a car) requires full instrumentation with up to 20 meters, and costs between £25,000 and £30,000.

One of the latest units, completed this week, is a rig for testing pressure and flow on a ring of 16 jets feeding fuel to Rolls Royce Gnome jet engines. The machine measures the volume of flow through each jet in turn and checks the pattern angle from each nozzle.

Accuracy of flow measurement must be within 1 lb/hr. as the permitted variation between jets is only 2 lb/hr. Used for engine maintenance on helicopters, this rig costs about £8,000.

Details of the service and the test machines from Kearsley Airways, Stansted Airport, Stansted, Essex (0279 812132).

● OFFICE EQUIPMENT

## Dictator sounds good

USERS OF pocket dictation machines have to give up some sound reproduction quality in exchange for miniaturisation but a new model from Dictaphone Company goes a long way towards offsetting this by using separate speaker and microphone systems instead of one unit to perfor both functions as is common on machines of this size.

This Dictamite unit measures just 125mm x 68mm x 32mm and its weight including dry battery cells is 200 grammes.

The microphone is a sensitive condenser type fitted with automatic gain control—it compensates for low and high volumes of input and filters out most background noise. An integrated circuit amplifier and unusually large area speaker (55mm) for such a small machine complete the voice reproduction units. Range is from 200 to 6,000 Hz.

Recording medium is the standard mini-tape cassette, of fifteen minutes per side.

Dictaphone Company, Alperton House, Bridgewater Road, Wembley, Middlesex. 01-903 1477.

● WELDING

## Manipulator for electron beam welder

TORVAC is now offering a heavy duty precision work manipulator with headstock and tailstock as a standard option on its range of electron beam welders. It can also be fitted to machines already in service.

The headstock alone will take an overhung load of 25 kg. and has 25 mm. adjustment in both X and Y axes. In conjunction with the optional supporting tailstock it can drive and support loads up to 50 kg.

Mounted outside the vacuum chamber, the headstock has a collet on an extendable 25 mm. diameter shaft, with 150 kg. axial load capacity. The tailstock can be wound in and locked at any position across the chamber. Run out between centres is within 0.05 mm.

The manipulator is driven by a variable speed, feedback control, motor-tachogenerator, interchangeable with a more powerful motor if higher torque is required (for example, when handling heavy asymetrical loads). A load cell can be fitted to measure axial load applied to the workpiece.

Details from Torvac, Histon, Cambridge, CB4 4HE (022023 2646).

● MATERIALS

## Coating cuts corrosion

DAMAGE CAUSED by erosive and corrosive fluids can, it is claimed, be prevented with a coating developed by Belzona Molecular Metalife.

Called Molecular Ceramic Steel, the coating consists of a resin containing a high proportion of microparticles of steel encapsulated in silicon. The resin is mixed with a hardener and applied as a paste to areas subject to wear such as pipe bends, nozzles, pump blades, impellors, etc.

The coating, said to be so tough it will wear down carbide tipped cutting tools, is unaffected by extremes of temperature, can be used on damp surfaces, and does not conduct electricity. Patents have been applied for in the U.K. and U.S.

Details from the maker, Claro Road, Harrogate, North Yorks, (0423 67641).

● INSTRUMENTS

## Boat hull thickness test

VARIATIONS IN the density of glass fibre reinforced plastics which can cause structural weaknesses in boats can be measured with an ultrasonic thickness gauge developed with the assistance of surveyors of Lloyds Register of Shipping and offered in the U.K. by Teledictor, Coneygre Industrial Estate, Tipton, West Midlands DY4 8YB (021-557 3056).

According to Teledictor, the unit is proving an invaluable aid in removing what has been described by builders of GRP boats as "the haunting fear that somewhere along the line a ply or two of laminate has inadvertently been omitted."

Called the Panametric Model 5227, it consists of a portable (four lbs) recording unit with connecting cable and transducer. Battery life is eight hours, and the unit can be run from its external charger while the battery is being recharged. It gives a four-digit readout of material thickness.

It has to be first calibrated to the hull which is being tested, and this requires a micrometer measurement of the GRP thickness at a convenient point. The unit is placed at this point and adjusted to give the same reading as the micrometer. It can then be used anywhere on the hull or deck.

The gauge operates similarly to a depth sounder and working on the pulse-echo system its transducer responds according to the duration of the electrical impulses. The transducer converts the electrical energy into vibrations which are transmitted as sound waves through a "coupling" liquid such as glycerine, oil or water.

Sound waves travel through the material and are reflected from the back surface. The transducer receives the reflected sound waves and converts the time taken by them into a measurement of thickness which appears as a digital readout.

**THE JOBS COLUMN**

# Index-linked dilemma • More about recruitment code

BY MICHAEL DIXON

CIVIL SERVICE appointments with inflation-proofed pensions are evidently not the most desirable jobs on the public payroll after all. I have just discovered the existence of roughly 900 posts now within the State sector that carry index-linked pay.

They belong to staff of a pair of the two dozen industrial training boards which, effectively since 1975, have had their wage and other administrative costs paid from taxpayers' funds. But the story behind the unusually plush working conditions starts farther back, in 1973, when the boards in general were still financing their activities by raising a levy—part of which was returned in grants—from concerns within their particular industries.

At that time morale in the ITB's seemed extremely low because under the distinctly chill eye of the Conservative Government they were worrying about whether they were going to survive.

But about 800 staff in the Road Transport Industry Training Board, and some 120 others in the counterpart for the furniture and timber industry clearly did not let the depression get on top of them. For they upped and negotiated with their respective governing councils, which include representatives of employers as well as of trades unions and education, what I gather are legally cast-iron contracts including index-linked pay. In the case of the outstandingly ambitious road transport board at least, there is provision for twice-yearly adjustments based on the positions in June and December.

Now, the salary levels prevailing in the two boards were not the same—each ITB set up its own pay structure mainly reflecting the conditions of the industry for which it is responsible—and neither are they known to me. But it seems safe to say that over the two years following the successful negotiations the two progressed to being among the best paying of their kind, although staff of the transport organisation were, and almost certainly still are, better off than their furniture fellows.

With the re-arrival of incomes policy, however, the respective governing bodies decided to suspend the index-linking arrangement. And that was the state of affairs in 1975 when, seemingly with little notion of the potential trouble it was inheriting, the Training Services Agency arm of the publicly funded Manpower Services Commission took over responsibility for the ITBs and, in effect, the financing of their pay bills.

Whether the agency remained unbothered about the unique contracts of getting on for a thousand of its new employees during phases one and two of the incomes policy, I cannot be sure. But it knows all too well about the problem now.

For with the replacement of incomes policy by pay "guidelines," it seems that the staff of the two boards have a scrupulously legal claim, under the terms of the contracts, not only for the reactivation of the index-linking arrangement, but also for the restoration of the increases in pay levels foregone during the period while it was suspended.

Suddenly, therefore, the Training Services Agency finds itself faced with claims for rises which I hear total around 40 per cent., plus of course whatever the index calculations say should be added in future.

With inevitably sensitive negotiations still in progress, nobody can yet say what the outcome will be. The agency would naturally like the staff of the two boards to agree to give up the linking arrangement and, in all honesty, it seems to have a fair argument.

When the staff entrepreneurially negotiated the arrangement they were employed in a relatively entrepreneurial position. Their boards had to finance themselves, and their continued existence was by no means secure. With the transfer of the boards to the domain of the Training Services Agency, however, their staff gained the high security of employment which typifies the public sector.

But if the staff were to insist on the letter of their contracts—which would of course thrust them greatly ahead of the pay of their counterparts in the other ITBs—it is hard to see what might usefully be done either by the Manpower Services Commission, governed directly by a 10-strong body including three representatives from each of the Trades Union Congress and the Confederation of British Industry, or by Mr. Albert Booth, the Secretary for Employment who speaks for the commission in Parliament.

I suppose that driven hard against the wall, the commission might be able to declare cash limits to the running costs of the boards concerned, so that insistence on the full contractual increases would eventually have to be paid for by cuts in staff. But that would surely have dire effects on the efficiency of the training boards' services to the client concerns in their respective industries.

So one can only hope that the staff will agree to reasonable self-sacrifice and fair comparability with the pay of their fellows in the other boards.

## Grouses

WHEN I printed and discussed the Institute of Personnel Management's proposals for the code of good recruitment practice in last week's Jobs Column, I had some hopes that it covered all the grounds for major mutual grousing between candidates and recruiters. I should, of course, have known better.

It took only 24 hours for the hope to be shattered. "I would like to add a plea for job advertisements to give an indication of salary," said the first letter I opened on Friday. "It seems to me a waste of time for both applicant and recruiter if an applicant, in ignorance of the salary offered, replies to an advertisement for a post which is either above or below their level." And about a dozen more responses arriving since have echoed the same sentiment.

So there can be little doubt that secrecy on the part of advertisers about salary levels is another fairly common habit which discourages a good many potential candidates, as this next quotation shows:

"I realise that some firms do no wish to publicise their salary structures. They are afraid of "rocking the boat" with their present employees by revealing how certain individuals within the company are paid. But this type of secrecy is, in any case, counter-productive in that it arouses suspicions among staff."

That fact is not unknown to me. I once worked for a man who, when I told him on the day I was leaving the company how much I had been paid, immediately stormed into his boss and gave notice. His salary had been only four-fifths of mine. And there are doubtless many other concerns where a bitter dispute could be started simply by getting the staff to sit round a table and state their respective salaries, one after another.

But it would certainly be unfair for anyone automatically to interpret the lack of an indication of salary in a company's advertisement as evidence of Machiavellianism. The combined effects of pay restraint and the Employment Protection Act have created parlous problems for concerns who suddenly need key, good quality staff.

It is no longer unusual for a recruiter to find that the necessary kind of worker just won't come, except at a salary premium which would set the company at loggerheads with all its comparable existing staff, to whom it could not afford to give comparable rises, pay guidelines or no. In the circumstances, being secret about salary might not be the perfect solution, but it is an eminently understandable one.

So while it would doubtless be desirable for the giving of an indication of pay level to be provided for by the ideal code of practice, I do not think it practicable to include such a clause when to be successful, the provisions need to be voluntarily accepted by numerous companies operating in a real world.

Another bone of contention mentioned by several readers is the design of job-application forms.

"Practically without exception, these are designed without any thought as to the candidates' convenience in filling them in," says the most articulate complainant on this topic. "The forms appear to be designed by the same people who mastermind the layout of one's personal tax returns."

Once again I know the feeling. But on looking into the basis of these complaints, I gather that they come from people with some apparently irresistible urge to use a typewriter to fill in documents which were designed to be completed by hand, so it seems small wonder that they find the task "at times causing aggravation, frustration and even despair."

From the recruiters' side, on the other hand, I have received three or four expressions of cynicism about the likelihood of applicants' abiding by the provisions of their side of the code. "It would be pleasant to think they would all be observed," says one, but surely naive for anyone or any organisation to suggest they will be.

The answer to those pessimists is simple. The code takes the form of a two-way agreement, so any applicant who breaks the provisions of the candidates' side automatically frees the recruiting concern from the obligations of the other side. And to my mind, a candidate who preferred to ill-treat the recruiter rather than benefit by the code's guarantees, would hardly be worth employing anyway.

Fortunately, however, the bulk of the comments I have so far received on the proposed code of practice have been firmly in favour of it.

هكذا من الأصل



# *Industrial Sales Director*

Closing the Sale—that is what this job is about. The Company, already a leader in sophisticated systems, has successfully developed this new product, proved it and already has it installed with major customers. They have a headstart on competition world-wide and are determined that the 'Oh-so-common' story of British technical achievement being overtaken by competitors' superior selling is not going to apply here. It is not a pioneering job, in the sense of opening doors; they are wide open. It is writing orders, not just talking about them, where everybody in one's customer's firm, from the unions, through middle management, to the board, will probably be involved.

Our man—or woman—need not necessarily be a systems, computer or E.D.P. specialist, but they should not be capable of being inhibited by such specialists either.

This is a job for a diplomatically aggressive, selling businessman or woman—mid 30's to mid 40's probably—with a demonstrably effective track record. They will report to the Managing Director. Expected success could result in the establishment of a separate division and a seat on the main board.

Location: desirable, out of London, West. Normal senior remuneration package into five figures.

Write, quoting ref. 745, to J. P. Macfarlane:

*Beckwell Selection International*

BECKWELL CONSULTANCY SERVICES LTD., 34-36 BAKER STREET, LONDON W1M 1DL. Telephone 01-487 5761 (24-hour answering service). Telex 263526.
ASSOCIATED WITH COMPANIES IN EUROPE, AFRICA, ASIA, NORTH AND SOUTH AMERICA AND AUSTRALASIA

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## F. PRATT ENGINEERING CORPORATION LTD.

# MARKETING DIRECTOR

required for subsidiary company Pratt Burnerd International Ltd., Halifax, W. Yorkshire, engaged in the manufacture of precision engineering products. The marketing executive will be responsible to the Managing Director for:

- Developing marketing strategy and policies, home and overseas.
- Identifying new product/market opportunities.
- Preparing and implementing marketing plans.
- Managing the sales force.

This is a challenging situation requiring the development of a total marketing function. Enthusiasm, drive and leadership are essential qualities and recent experience in the engineering sector of secondary importance.

Candidates aged 30-45 years should have had formal training in and responsibility for marketing and proven success in sales management.

Salary c. £9,000 p.a. plus pension, car and other benefits.

Applications to: V. Hollingworth,
Pratt Burnerd International Ltd.,
Park Works, Lister Lane,
Halifax, W. Yorkshire.

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# INVESTMENT ASSISTANT

The Canada Life, which is an International Company with U.K. assets exceeding £1,000m., has an excellent opportunity for an honours graduate (or a person with 1-2 years' relevant experience) to join its investment team in the London office.

The successful applicant will provide support for the officer responsible for fixed interest investments. Initial responsibilities will include administrative and monitoring work but the applicant will also be expected to develop analytical techniques and follow the larger economic scene in both the U.K. and Ireland as an introduction to further responsibilities.

A competitive salary together with the normal fringe benefits associated with a leading Life Office.

*Please apply in writing to:*
MR. M. R. Collett
Personnel Manager
THE CANADA LIFE ASSURANCE COMPANY
Canada Life House
High Street, Potters Bar
Herts EN6 5BA

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# Rare Opportunity

A small but fast-growing Public Company with interests in natural resources, energy conservation and public services requires two young executives to supplement the top management team at Head Office in South London.

One will fulfil the role of Group Financial Controller and the second will act as P.A. to the Chairman. Candidates should be well qualified with sound commercial experience and aged 25-35. The ability to manage and control diverse activities with flair and foresight will be of importance.

Excellent career prospects exist for the person who excels in an everchanging commercial environment. Remuneration and benefits would be commensurate with the responsibilities of these positions.

Replies in strict confidence, with full curriculum to
The Chairman.
Box A.6029, Financial Times, 10, Cannon Street, EC4P 4BY.

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# COMPANY ACCOUNTANT

(South Yorkshire)

## The Company

Employs 600 persons in the Steel Industry and has a turnover of over £4m p.a.

## The Job

Encompasses the control of all aspects of the Company's finances. The successful applicant will be an energetic, qualified accountant, capable of leading a team of accountants in implementing and operating systems within the Company.

Salary will be negotiable. The company operates a pension scheme and normal benefits.

Applications in strictest confidence to BOX A.6207,
FINANCIAL TIMES, 10, CANNON STREET EC4P 4BY

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# J. & A. Scrimgeour Limited

## EQUITY INSTITUTIONAL SALES

As part of an expansion of our institutional equity department, we have vacancies for two individuals to join our sales department.

They will be expected to actively participate in the formation of views and the onward transmission of them to our clients. In addition they will have the backing of a well established research department which specialises in the Building, Retailing, Oil, Financial and Engineering sectors.

Applications are invited from:—

1. An individual who is experienced and has a deep knowledge of the U.K. equity market and ideally will have been working in the institutional department of a stockbroking firm for some years. He/she will probably be aged between 30/35.
2. An individual in his/her twenties who has about two years' experience in an investment department.

In both cases we will regard experience as more important than qualifications and advancement within the firm will be entirely dependent on ability.

Please send brief details of your career to:—

The General Manager,
J. & A. SCRIMGEOUR LIMITED,
The Stock Exchange,
London EC2N 1HD.

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# LEADING ENGINEERING FIRM

## requires for Iran

**ONE CIVIL ENGINEER**

Specialised in concrete work such as spillways, intake structures and outlet works for dams.

**ONE CIVIL ENGINEER**

Specialised in soil mechanics for design of earth filled dams.

**ONE ELECTRICAL ENGINEER**

Specialised in hydro-electrical design

All applicants must be fluent in English (written and spoken) with a University degree and at least ten years' experience.

Jobs entail two-year contracts renewable under mutual agreement. Housing will be provided in Tehran.

Remuneration will be commensurate with education and experience and will be at an attractive international level.

Interviews with eligible candidates will take place in Geneva (Switzerland) at the cost of employer who will reimburse travel and hotel expenditure.

Summary of education and experience should be sent as soon as possible to:

Balsam Engineering Division
of Cofinter S.A.
P.O.B. 213
1211—Geneva 6
Switzerland

Telex: 22203 cofge
Phone: (022) 35.83.60

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# Group Financial Director Designate

£8,500 + plus car

A public company, based in the West Midlands, with an annual turnover approaching £7m., wishes to appoint a Chartered Accountant, preferably aged over 35, with industrial experience and a practical approach to financial management as Group Financial Director Designate.

The person appointed will be responsible to the Chairman for the financial control of ten UK and overseas subsidiaries in a specialised engineering field. The position will lead to a main board appointment for a successful applicant, who will also be appointed Company Secretary.

Salary will not be less than £8,500; normal corporate fringe benefits are available including a car and assistance with relocation. *(Ref. H1245/FT)*

*REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.*

## PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

*A member of PA International*

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# *Marketing Director*

*Taxation and Investment*

- An international financial services group which sells an unusual range of investment, taxation and life assurance packages through professional advisers needs assistance in developing its marketing efforts.
- The position calls for a self-motivated self-starter with experience both in selling and marketing sophisticated personal financial services. Experience as a Life Assurance Broker and in a Life Office would be useful, as would a knowledge of the expatriate market.
- The remuneration will be very attractive, will be geared to success, and will include stock options. Based in London.
- Please contact, in confidence and quoting Reference No. 220, the consultants retained to advise on this appointment:

*Clive Deverell Associates Limited*
*P.O. Box 192, London SW1X 9RN. Telephone 01-235 8215*

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# SOMETHING COMPLETELY DIFFERENT

as PA to Principal of thriving small firm providing total investment/financial services to private clients. The job ranges from routine recording to portfolio management. The person will be 27-33, numerate, articulate, ideally with experience in accountancy/taxation/investment, hard-working, attentive to detail and entrepreneurial. Location Devon Coast—but pressure is high!

Starting salary negotiable to £5000 but with prospect of Directorship and total reward package equating to £10,000 + (with use of firm's cruising yacht).

Apply with CV to Box A.6208, Financial Times,
10, Cannon Street, EC4P 4BY.

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NPA

# Banking

**Senior Loan Officer — c.£14,000**
Substantial international bank requires a Senior banker aged 28/35, with a broadly-based experience of eurocurrency credits and marketing.
ref.NCP

**F/X Dealer — c.£7,500**
This international bank maintains one of the U.K.'s most active dealing rooms and now seeks an accomplished dealer aged 23/26, with good F/X experience.
ref.NCP

**Accountant — £9,000+**
Qualified **ACA/ACCA** in **late 20's** required by major foreign bank. Experience of international bank accounting procedures is essential.
ref.AJT

**Senior Credit Analyst — to £7,500**
Exceptional opportunity for analyst, with U.S. bank credit training or investment research background, to join one of the City's leading international banks.
ref.AJT

**Loans Administration — to £4,500**
Well-respected consortium bank seeks a Loans Administrator, 21/24, with at least 1 years' experience of direct and syndicated eurocurrency loans.
ref.TOK

**Junior Credit Analyst — c.£5,500**
A basic introduction to balance sheet analysis together with a positive personality are essential ingredients for a career in credit with this market leader—ideal age 23/26 years.
ref.TOK

**F/X Accounting — £4,000–£6,000**
New Year opportunities abound with many of our international banking clients for young bankers with experience of F/X accounts, reconciliations and B of E returns.
ref.TOK

**For further details, telephone 01-248 3812 in confidence.**

## NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone: 01-248 3812/3/4/5

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# Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

**LEADING FRENCH BANK** has the following vacancies:—

**Senior Account Officer** — to develop new business in the U.K., whilst being responsible for a range of existing corporate customers of diverse character, and to supervise one or two account officers. Must have initiative and drive, good commercial sense and the ability to communicate easily. Salary £8,000–£11,000 p.a. plus usual benefits.

**Junior Account Officer**—initially to review and follow up existing commitments and to assist a Senior Account Officer with a portfolio of existing customers. Applicants must be able to communicate easily with customers and colleagues and to be able to work without supervision. Salary c. £6,000 p.a. plus usual benefits.

The persons appointed must be able to work within the framework of an agreed policy, as members of a team, and in consultation with the Manager of the Division and other colleagues. Applicants will need a sound knowledge of banking (A.I.B.). Previous experience of trade finance and documentary credits would be beneficial. A knowledge of French would also be an advantage.

In the first instance, and in the strictest confidence, please contact David K. Grove.

**CHIEF F.X. DEALER MIDDLE EAST**
**£ Negotiable Tax-Free**
An international bank seeks a fully-experienced Dealer for its office in a Gulf State. The ideal applicant will be aged between 28–35, with experience gained in a major banking centre, with a prominent bank. The position can be permanent, or on a contractual basis.
CONTACT: Richard J. Meredith

**CREDIT ANALYST — c. £5,000**
A leading consortium bank offers an attactive opening to a young Credit Analyst, aged 23 or under, with a minimum of one year's experience. For the successful candidate, ideally a graduate or qualified A.I.B., there will be scope for progression to a lending officer position.
CONTACT: Sophie Clegg

**CHIEF ACCOUNTANT/ COMPANY SECRETARY**
**c. £7,500**
This vacancy occurs at the newly-established London Office of a North American investment bank. Candidates will ideally be Chartered Accountants aged mid-to-late twenties, with one-two years' post-qualification experience.
CONTACT: Sophie Clegg

**ACCOUNTS/OPERATIONS**
**£6,000+**
Due to internal promotion the position of Assistant Accountant is vacant at the London branch of a European bank. Candidates should be aged 25–30, with international bank operations experience including departmental audits, Foreign Exchange valuations and general accounting duties. Salary is negotiable, and the figure quoted can be regarded a minimum.
CONTACT: Richard J. Meredith

170 Bishopsgate London EC2M 4LX 01-623 1266/7/8/9

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# Assistant Financial Controller

## £8,868-£11,688 p.a. incl.

We wish to appoint an Assistant Financial Controller (Payments) based at our Headquarters in Central London to be responsible for an extensive range of banking services, including foreign exchange transactions; payment of supplies accounts and other claims; computer based salary and pension payrolls; administration of superannuation records.

Applicants, preferably with experience of similar work in a large organisation, must be members of a recognised professional accountancy body or have an equivalent professional or academic qualification and be able to demonstrate ability to take up a senior financial post. There will be a requirement to accept job rotation and willingness to move to other parts of the Board will help in career progression.

Applications stating full relevant details and present salary to the Personnel Services Manager, C.E.G.B., Sudbury House, 15 Newgate Street, London EC1A 7AU, by 19 January 1978. Quote Ref. FT/304P

**Headquarters**

**CENTRAL ELECTRICITY GENERATING BOARD**

# Treasurer/Controller

## £10,000 Edinburgh

This company which has an enviable record of success in its interests in oil, seeks an able person with potential to eventually assume responsibility for its finance function. As a member of the management team, the Treasurer/Controller will have specific responsibility for taxation, statutory accounts and consolidation of subsidiary accounts, cash control and management accounts together with his or her role in the formulation of financial policy. Candidates, male or female, who are likely to be aged 32-40, should have a degree and be chartered accountants. They should have experience in the areas indicated together with an appreciation of computer applications and will ideally have knowledge of the oil industry although this is not essential. Personal qualities of presence and maturity together with high motivation are important in this situation. Initial salary is negotiable around £10,000 together with normal fringe benefits.

(PA Personnel Services Ref: AA45/6259/FT)

*Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.*

**PA Personnel Services**

Hyde Park House, 60a Knightsbridge, London, SW1X 7LE Tel. 01-235 6060 Telex: 27874

*A member of PA International*

# Phillips & Drew

## INTERNATIONAL ECONOMIST

We have a vacancy in our Economic research section for an international economist who will specialise in forecasting world trade and payments patterns. Applicants should have at least two years' experience preferably in a financial or forecasting environment. The successful candidate will join an economic and corporate research team with a high reputation in the City and in Industry. Remuneration is competitive and there is scope for rapid advancement. There are a profit-sharing scheme, pension fund and other benefits. Please send a brief curriculum vitae and apply to the Staff Manager,

Phillips & Drew

Lee House, London Wall, London EC2Y 5AP

# Lead Cleveland's industrial promotion team

**Objective** To attract jobs to the County and to assist local firms to grow.

**Job Description** You'll take over an already successful selling operation. Manage a major promotional programme. Sell the area at Director level. Coordinate advice to incoming firms with the four District Councils. Advise local companies on sites, services, and finance. Your title: Assistant County Planning Officer (Industrial Promotion). You will be responsible to the County Planning Officer.

**Qualifications** Marketing and sales promotion experience at senior level. Direct experience of industrial development would be a bonus.

**Salary** £8119-£8707 + car allowance.

**The Area** Cleveland is the North's major growth area - and one of the most dynamic in Europe. But national park and village life are only minutes away. Housing is plentiful and varied and prices are well below national average.

**Application Forms** and further details from Mr. W. Bean, FRTPI, County Planning Officer, County of Cleveland, Gurney House, Gurney Street, Middlesbrough, Cleveland, or by telephoning Middlesbrough 248155 extension 2423 (Mr. S.A. F. Comer). Completed application forms must be returned by 25th January 1978.

**County of Cleveland**

# PANMURE GORDON & CO.

## PRIVATE CLIENTS

Excellent opportunities are available for both senior and junior account executives to join an able and well established team.

We are seeking an Account Executive with proven ability to handle the firm's existing clients and with a flair for responsibility and originality of thought. This post will suit individuals with ambition who see their interests and those of the firm as identical.

We are also seeking an enthusiastic younger executive with an engaging personality as a partner's assistant; the ability to engender good client relations is of greater importance than existing experience.

Please reply to:

G. F. Hallwood, Personnel Manager,
PANMURE GORDON & CO.,
9 Moorfields Highwalk, London EC2Y 9DS.

# INTERNATIONAL INVESTMENT AND MERCHANT BANKING

A major, locally owned Bank in a Gulf State requires an officer with detailed working knowledge of all aspects of documentation for Eurobond issues and syndicated loans.

The position would suit someone between 25 and 35 years of age who is willing to spend a limited period abroad in order to add depth to his career experience. The individual should be prepared to live in the Middle East for at least two years and to train local staff in the support of the international lending operations of the Bank.

A university degree of appropriate qualification is preferred, but is not essential provided a thorough knowledge of the technical aspects of the job can be demonstrated.

The Bank, which is one of the oldest in the area, has an excellent reputation, both in the domestic and international markets, together with first-class connections. The international lending operations of the Bank have been developed to a point where in order to sustain the development and expand this additional capacity for growth, another specialist is now needed in the International Banking Group at the head office.

A competitive salary will be offered in an income tax-free country together with free accommodation, car, and generous arrangements for home leave. Interviews will be held in London during the first half of February 1978.

Please reply giving full details of present position and other relevant information to Box A.6201, Financial Times, 10, Cannon Street, EC4P 4BY.

# CAYZER LIMITED

Cayzer Limited is a recently established merchant bank and a subsidiary of The British & Commonwealth Shipping Company Limited. The emphasis of its activities is on corporate finance and corporate banking. The bank is seen as having scope for developing these activities within the British & Commonwealth Group and with non Group related clients. In order to assist the bank in its expansion the following senior staff are required:—

**BANKER**

A senior Banker is required to take charge of and develop the bank's lending activities, which focus on small to medium sized commercial and industrial companies. A banking, legal or accounting qualification and a solid career of banking experience and achievement are essential requirements.

**FINANCIAL EXECUTIVES**

The requirement is for one or two executives who should have an accountancy qualification followed by several years' experience in the profession or in industry: a university degree could be a useful additional qualification. The bank is looking for applicants with a track record which will demonstrate an ability to produce financial assessments with a strong commercial bias. The ability to formulate valid commercial judgments and to oversee the implementation of recommendations is essential.

Please write in complete confidence with curriculum vitae to:

**The Managing Director,
CAYZER LIMITED,
5 Laurence Pountney Lane, London EC4R 0HA.**

Due to expansion a leading firm of

# INTERNATIONAL STOCKBROKERS

with offices in the City have vacancies for general settlement clerks in all departments. Also Burroughs, Sensimatic and Telex (T7 and T15) Operators.

Each appointment will carry an attractive, salary and a non-contributory pension, also LVs.

Please telephone Staff Manager, Mr. Potter, 638 5699 to arrange interview.

# FIELDING NEWSON-SMITH & CO.

## LONG DATED GILTS—SALES EXECUTIVE

We have recently established a department specializing in gilt-edged securities. We are looking for an additional sales executive to handle an expansion in business. The person appointed will be expected to service the accounts of long term investment institutions and will therefore need to demonstrate experience and success in this field.

This is an important position which will be reflected in a highly attractive level of remuneration.

Please reply in confidence to David M. Shaw, Fielding Newson-Smith & Co., 31 Gresham Street, London EC2V 7DX. Telephone 01-606 7711.

# W. GREENWELL & CO.

## Economist

W. Greenwell & Co. have a vacancy for a young economics graduate whose duties will include assisting with their Monetary Bulletin. An interest in monetary economics is essential.

Please apply giving details to:
Mr. R. L. Thomas, W. Greenwell & Co.
Bow Bells House, Bread Street, London EC4M 9EL.
Telephone: 01-236 2040

# Group Financial Accountant

## (£8-9,000)

The Borthwick Group is a multi-national food business with an annual turnover of around £500 million. It is principally engaged in the processing, trading and retailing of meat.

As a result of expansion, we require a Group Financial Accountant who will report directly to the Group Chief Accountant. Responsibilities will include:-

* Supervising the parent Company's accounting
* Preparing interim and annual Group consolidated accounts
* Monitoring Group accounting procedures

Location is at the Group's International Headquarters in London; some UK travel is involved, with overseas travel a future possibility. This is a career appointment combining promotion opportunities with attractive benefits and conditions of service.

Applications are invited from qualified accountants with at least two years post-qualification experience; ideally gained in the group headquarters of an international company. Preferred age 25–35 years.

Write in confidence, with full career and qualification details to:

B.J.W. Milton,
Group Personnel Manager,
Thomas Borthwick & Sons, Ltd.,
Priory House, St. John's Lane,
London EC1M 4BX.

**Borthwicks**

C&L

# Top Calibre Accountants

## Why not consultancy in 1978?

If you are a qualified accountant aged 28-33 and have already achieved demanding objectives in difficult circumstances in industry or commerce, then you have demonstrated the basic ingredients for getting to the top. It's certain you won't be doing your present job in 5 years' time and unless you're working for one of the few top line companies that offers you room to grow you'll probably be working for a different company also.

Your next job must prepare you for the critical subsequent move to the top ensuring that you can offer the best possible mix of personal qualities, experience and achievement at a time when competition is at its strongest. Which is why so many top people choose, during their formative years, to spend a period in consultancy. Alternatively consultancy can offer a stimulating and varied long term career.

Why? – the challenge perhaps – clients and colleagues are demanding, deadlines are impossibly tight, there's so much new ground to cover and every assignment presents an opportunity to solve someone else's problem. You will be stretched as never before, exposed constantly to new technology and high calibre colleagues from all kinds of backgrounds will ensure that your standards are of the highest.

We, as one of the largest international firms of management consultants, need top calibre accountants to meet the growing demand for our services both at home and overseas. The positions are London based, although a reasonable degree of mobility in the U.K. is essential. Salaries are competitive and for overseas assignments generous additional allowances are paid.

If you think consultancy could be for you, please send brief but comprehensive details of career and salary to date, which will be treated in confidence, to:–

J. G. Cameron, The Executive Selection Division.– MSF20/43,
Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London, EC2V 7DQ.

# Internal Audit Manager

## Management Consultancy – Tehran

for a newly established management consultancy. The role will be to control a team of accountants, providing services in the field of internal audit, special investigations and systems review, design and installation, for a wide range of companies in Iran.

A strong background of audit experience in a major professional firm of Chartered Accountants, followed by experience at senior level in the internal audit department of a large industrial company is required. Experience in dealing with multi-national companies is desirable.

A realistic salary is negotiable and benefits include free accommodation, company car, and substantial assistance with medical and educational costs. Successful performance could lead to a partnership.

**Applications in confidence to G. N. Brown quoting reference: 6185, Mervyn Hughes Group, 2-3 Cursitor Street, London EC4A 1NE. Telephone: 01-404 5801 (24 hours).**

**Mervyn Hughes Group**
Management Recruitment Consultants

# TAXATION EXECUTIVE

## NORTH SEA OIL DEVELOPMENT

**London W.1. £10,000-£15,000 + Car**

Our client is a major quoted group whose traditional activities include publishing and leisure. A major investment has been made in North Sea Oil, the revenues from which are now making a substantial contribution to group resources.

As a result, the group now plan to appoint a Taxation Executive who, reporting to the Group Taxation Adviser, will have responsibility for advising on tax matters relating to oil activities. The position will entail close contact with senior management, other consortium members and the oil industry.

Candidates, male or female, should be qualified accountants with considerable corporation tax experience either with a major company or an international practice. Any specialist knowledge or experience of the oil sector will clearly be an advantage and will be reflected in the salary paid. Candidates should be able to bring a creative approach to this challenging appointment.

For more detailed information concerning this appointment and a personal history form, please contact either Nigel V. Smith, A.C.A. or Ronald Vaughan, A.C.M.A. quoting reference 2039.

Douglas Llambias Associates Ltd.,
410, Strand, London WC2R 0NS, Telephone: 01-836 9501.
121 St. Vincent Street, Glasgow G2 5HW, Telephone: 041-226 3101

DLA

# EUROCURRENCY DEALER

is required to join the present team of traders in the London Branch. A high standard of professionalism and knowledge of the London currency market is expected. Usual fringe benefits. Salary negotiable.

*Enquiries to:*

UCB

R. Jewell,
Assistant Vice-President,
UNITED CALIFORNIA BANK,
35-39, Moorgate, London EC2R 6BD.

**APPOINTMENTS ADVERTISEMENT RATE £14 PER SINGLE COLUMN CENTIMETRE**

هكذا من الأصل

# Bank Economist

A City-based international banking group has a vacancy for an economist, male or female, with at least four years' experience in commercial, financial or other relevant employment since graduation.

The post offered is in the Economic Department and concerned with a wide range of subjects including international monetary matters, developing countries in which the group operates, primary commodity markets and developments in the United Kingdom and the OECD area. Experience in sterling money markets will be valuable, though not essential.

The appointment will interest candidates possessing a good degree in economics or an associated discipline who seek an attractive basic salary and substantial ancillary benefits. A working knowledge of a major European language would be useful.

Write, giving relevant personal data and career history to: The Personnel Manager, Standard Chartered Bank Limited, 10 Clements Lane, London EC4N 7AB.

Standard Chartered
BANK LIMITED

# BUSINESS DEVELOPMENT MANAGER

## DISTRIBUTORSHIPS AND DEALERS

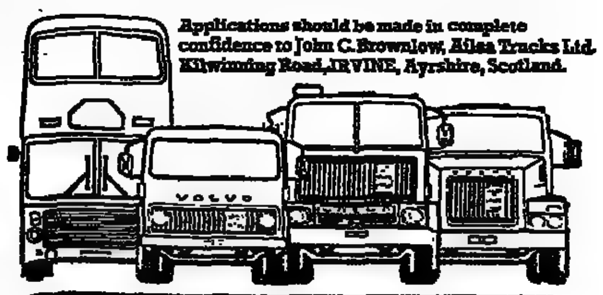
A B Volvo, over the past ten years of successful growth in the U.K., has established, through her British Subsidiary, an unrivalled Distributor and Dealer network throughout the U.K. and Ireland.

To continue the development of this network, Volvo has decided to establish a small Business Development Unit which will provide a key advisory service covering those modern business methods, including control systems, necessary to ensure effective management and profitability. In addition, the new unit will help to plan and control the future growth and development of the network and liaise with A B Volvo on matters pertaining to corporate identity, facilities planning, etc. The new unit will also be responsible for recommending training programmes for Distributor and Dealer managers.

To head up this unit, Volvo is looking for an experienced Business Development Manager, male or female, ideally a financially orientated MBA in his or her 30's who has had experience of providing consultancy services to small and medium sized organisations. Accountable to the General Manager—Product Sales, he or she must be able to give advice in depth on problems relating to marketing, sales, finance and general administration. Experience of the Motor Industry and in particular Heavy Commercial Vehicle Franchise is desirable but applicants from other industries will be considered as the emphasis is on Business Management experience rather than Product knowledge.

This position will be of interest to those currently earning in excess of £7,000 per annum and, in addition to an attractive salary, Volvo's remuneration package includes staff productivity bonus, pension, permanent Health and Life assurance schemes and four weeks annual holiday. An executive class car will also be provided for full private and business usage.

**Applications should be made in complete confidence to John C. Brownlow, Ailsa Trucks Ltd. Kilwinning Road, IRVINE, Ayrshire, Scotland.**



VOLVO

# Northern England Scotland and Wales

A public group of companies is implementing carefully evaluated plans aimed at achieving specific growth targets. Given sound, entrepreneurial leadership, some sectors of the group's activity can comfortably double in size within 2/3 years. This creates a need for a limited number of key executives. Male or female, all will be under 38 years of age, appropriately qualified and well experienced. Each position offers very attractive prospects.

## Managing Director-Wales

Totally accountable for the company's performance against agreed targets, the person will report only to the Group Board. Within the context of light engineering – possibly with an electrical/electronics bias – strong organising ability coupled with business flair would be a suitable mix. For a very short period, location in the Greater London area would be necessary on a week by week basis, prior to the transfer of the firm to the Mid-Wales area. Salary indicator is £10,000 plus car and benefits including realistic bonus payments on target achievement. (Ref: 801).

## Managing Director [Designate] Scotland

The company produces medium volume, high quality electrical products for the private and public sectors of industry both in the UK and overseas. The person appointed will assume full responsibility for the firm's affairs within a very short period. Strongly developed leadership qualities allied to sound industrial marketing skills will be essential. Previous experience as a Commercial Director, with knowledge of industrial markets in Scotland, would be of special interest. Both finance and production capacity exist to support growth to double the company's present size in about 2 years. Salary indicator is c. £8,500 plus car and benefits including realistic bonus payments on results. (Ref: 802).

## Financial Controller-Yorkshire

Actually a London Group H.Q. appointment, there will be a definite Yorkshire base with prime responsibility for the introduction and development of effective financial controls within one of the main companies situated locally. Turnover approaches £5M and products arise from light assembly work in the electrical sphere. These are mainly sold to industrial users. UK plus overseas turnover will double in 2 years. There is an EDP facility on site which could be used for Group purposes and full computerisation is envisaged within two years. A young Chartered Accountant with a strong personality, at least 3 years' experience of light industry and a sound knowledge of costing, will find this appointment very attractive. There are early prospects of nationwide responsibilities, plus a Financial Directorship of a main company, depending upon performance. Salary c. £7,000 p.a. to commence plus car. (Ref: 803).

Interviews can be held in a number of locations. Please write in strict confidence briefly in the first instance and quoting the reference number, to Charles Stewart, B.Sc., M.I.P.M.

Beckwell Selection International

BECKWELL CONSULTANCY SERVICES LTD.,
54-66 BAKER STREET, LONDON W1M 1DL.
Telephone 01-487 5711 (24-hr. Answering Service), Telex 263526
ASSOCIATED WITH COMPANIES IN EUROPE, AFRICA, ASIA, NORTH AND SOUTH AMERICA AND AUSTRALASIA

# Credit Analysis

## to £6,000

Four of our International Bank clients each seek an ambitious and capable young banker to assist with the growth of their Loans portfolios.

The "common denominator" in these opportunities is sound practical Credit Analysis experience, together with an appreciation of the administrative aspects; in 2 cases, there is the additional specific requirement of a knowledge of: a) Portuguese; b) French.

To discuss these possibilities — in confidence — please telephone either John Chiverton, A.I.B. or Trevor Williams . . . on 405 7711.

**David White Associates Ltd.**
Hampden House, 84, Kingsway, London, W.C.2.

# CREDIT ANALYST

Saudi International Bank is an expanding City based merchant bank whose shareholders include the Saudi Arabian Monetary Agency and several of the world's leading banking names.

As a result of continuing growth we wish to appoint a Credit Assistant whose particular responsibilities will be to help officers in charge of Commercial lending activities in specific geographical areas.

The successful candidates will probably be in his/her late twenties ideally possessing both a relevant degree or professional qualification and at least 2 years' international banking experience (preferably including a period of formal credit training). A knowledge of American credit analysis and accounting practice is highly desirable.

Significant career prospects exist and the salary will be made attractive to the right person, together with excellent fringe benefits.

Please write enclosing a detailed C.V. to:- Christopher D. Taylor, Saudi International Bank, 99 Bishopsgate, London EC2.

البنك السعودى العالمى المحدود
Saudi International Bank
AL-BANK AL-SAUDI AL-ALAMI LIMITED

**COMMODITY APPOINTMENTS LTD.** requires Physical and Futures Traders, Trainees, Accountants and Support Staff for U.K., Europe, U.S.A. and Hong Kong. Tel.: Graham Stewart, 01-439 1701.

# FINANCE DIRECTOR

## U.K. Medium Engineering Company Turnover c.£20m

**Midlands** **c.£10,000 + bonus + car**

**Play a key role in managing and co-ordinating the financial affairs of several operating Divisions • Assume responsibility for Performance Appraisal • Forecasting • Manufacturing Costing • All Financial functions**

**Our Client:** A dynamic growth Company, part of a substantial and highly successful speciality engineering group (turnover c.£80m). They are poised for a major investment and sales effort. The objective of this appointment is to permit and strengthen the growth and achievement of the business plans.

**Your Role:** To assume control of the Financial Department (total staff of 50) with a management team comprising • A Company Secretary • Financial Controller • Management Services Manager and Divisional Management Accountants. • To lead and head-up the financial function • to ensure that high standards are operated • to ensure that systems are efficient • to provide and obtain accurate, cohesive and timely information for budgets, forecasts and plans • generally to support the Managing Director in developing the business.

**Your Background:** A qualified Accountant in your 30's or early 40's with wide industrial experience, gained ideally within an engineering environment. An accomplished track record as a Management Accountant with proven skills in appraisal techniques and controlling a diversified executive team. A combination of • breadth of vision • co-ordinating skills • proven talent in communicating with and motivating others • unyielding professional standards.

**Your Rewards:** A key role in the accelerating progress of this Division • Immense personal and professional job satisfaction • A first year remuneration package exceeding £10,000 + Excellent benefits and Company car.

**ACT NOW! Telephone or write (in strictest confidence) to Paul Sinha (Director) on 01-388 2051 or 01-388 2055 (24-hr. Ansaphone) for curriculum vitae form, *quote reference no. 207.***

*This appointment is open to male/female applicants.*

MERTON ASSOCIATES (CONSULTANTS) LIMITED
Merton House, 70 Grafton Way, London W1
Executive Search and Management Consultants

# ASSISTANT MANAGER BUSINESS DEVELOPMENT

P. S. Refson & Co. Limited wishes to appoint a talented young executive to assist in its business development activities.

The ideal candidate will hold a university degree or professional qualification, be aged 27-32 and have at least three years' experience of international banking, with particular reference to trade finance. The ability to speak a foreign language and a readiness to travel at short notice will be additional advantages.

The bank moves to its own City premises in 1978 and the present vacancy arises through the continuing expansion of its activities.

Salary, rewards and future prospects will fully reflect the importance attached to this appointment. Please reply, in confidence, to:

The Managing Director,
P. S. REFSON & CO. LIMITED,
1 Hobart Place,
London, SW1W OHU

This is a challenging opportunity for a highly motivated accountant to work for a large multinational corporation.

# OPERATIONAL AUDITOR

The successful candidate will undertake marketing and production appraisals, profitability reviews and financial audits in the company's Spanish subsidiaries.

Applicants should be aged at least 30 years and should have:

- a good university degree, MBA or recognized accounting qualifications,
- a minimum of 8 years of business experience, including EDP audit, operations or systems experience,
- fluency in Spanish and English languages,
- a diplomatic personality and good oral and written communicative skills.

The position is based in Madrid and requires 50% travel in Spain. We offer an attractive compensation package and excellent future career prospects.

Please send detailed CV in strict confidence to:
R. Stoberg, Sevenco AB, 73 Welbeck Street, LONDON W1M 8AN.

# SENIOR EUROBOND DEALER

An International Investment Company offers an exciting opportunity to the right person to establish and develop a Eurobond Department. The successful candidate is likely to have had experience in both primary and secondary markets. This is an opportunity to join a new team as it is being formed. Remuneration commensurate with qualifications and experience. Interested candidates please submit detailed curriculum vitæ to: Box A6206, Financial Times, 10 Cannon Street, EC4P 4BY. All replies will be held in the strictest confidence.

# LONDON & CITY FINANCE GROUP

This medium size group intends to appoint a Chartered Accountant to serve as Director in Charge of Finance and Administration. He/she will report to the Joint Managing Directors.

The Group's activities encompass Estate Agency (Residential and Commercial), Corporate Finance, Property, Equipment Leasing, Financial Consultancy and Investment, other activities are planned.

The successful applicant will have responsibility for a small accounting department, the production of regular accounts, statistical and management information and the administration of the Group's procedures and activities.

Salary £9,000 plus car.

Reply in strictest confidence to:—
Neil Bradman,
18 Seymour Street,
London W.1.,
or telephone 01-935 2382.

# Financial Director

## Australia

Our client, a major international group and acknowledged leader in its field requires for its Australian company (quoted on the Sydney Stock Exchange) a Financial Director.

The applicant will be required to plan and direct financial and management accounting functions and to contribute to the general management of the company in the achievement of its overall objectives.

The successful applicant will probably be between 35-45 years of age; will have a good accountancy qualification and several years experience of the engineering industry. He will not be lacking in entrepreneurial qualities and will certainly be a hard worker.

The salary paid will be commensurate with the importance of the position. Please write in complete confidence enclosing concise personal and career details to:

The Managing Director,
Reid Walker Selection,
Hutton House, Hutton Street,
London EC4Y 8HP.

RW

# European Chief Accountant

**Salary Neg.** **France-Geneva Area**

Qualified Accountant with good international accounting experience, including USA owned companies, required for newly-created position with international group. Duties will include supervision and control of accounting services throughout the group. Applicants should be fluent in German and/or French and be free to relocate and travel.

Applications to E. S. Moore

*Reginald Welsh & Partners Limited.*
*Accountancy & Executive Recruitment Consultants*
*123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8387*

# ASSISTANT TO CONTROLLER

## Eastern Hemisphere

Career opportunity to join the U.K. subsidiary of a Houston-based energy service company.

Position requires a strong accounting background and experience with a chartered accounting firm would be a plus. Must be able to perform under pressure, supervisory experience necessary.

The successful candidate would be expected to progress in line with company expansion.

Interested candidates should in the first instance send their curriculum vitae with salary history to:

Mr. R. G. Lowe,
Eastern Hemisphere Controller,
Hydrotech Services U.K. Ltd.,
Sea Oil Support Base,
Ferryden, Montrose DD10 9SL.

# Investment Analysts

Owing to promotion and expansion, vacancies exist for analysts with at least two years relevant experience.

Of particular interest would be candidates with specialist knowledge of commodities or economics.

Good opportunities exist for advancement both within the UK, and overseas.

*Applicants, of either sex, should write enclosing curriculum vitae to* D. W. J. Garrett, Robert Fleming Investment Management Limited, 8 Crosby Square, E.C.3.

ROBERT FLEMING

# CORPORATE BANKING

**AGE 28-50 NIGERIA £20,000+bens**

A prominent International Bank with an extensive Branch network in Africa seeks to appoint two experienced Executives as

## DEPUTY AREA MANAGERS

The successful Candidates will be responsible for the provision of the whole range of Banking services to Corporate Customers of a number of Branches. In addition to a minimum of 3 years' Banking experience within a major institution, the possession of the Institute of Bankers Diploma, degree or other relevant qualification is essential.

A knowledge of French would be advantageous, but not paramount. The initial basis of employment will be a 2 year contract, mutually renewable, and benefits include free housing, car allowance, steward, re-location expenses and free medical care. Annual leave entitlement will be a minimum of 50 working days, and return air fare to the U.K. will be paid for the appointee and family, if applicable.

*Applications, in strict confidence, to Rod Jordan.*

**BANKING PERSONNEL**
41/42 London Wall · London EC2 · Telephone: 01-588 0781

(Recruitment Consultants)

# Ambitious Accountants for Management Consultancy

**Do you have:—**

- an accounting qualification and a good University degree?
- a background of practical accounting in two industrial or commercial environments?
- experience of producing practical solutions to financial problems outside normal accounting matters?
- the ability to communicate effectively both orally and in writing?

**We are:—**

- the management consultancy arm of a leading firm of accountants
- expanding rapidly both in the UK and overseas
- offering work in multi-discipline teams on a wide range of business problems
- able to provide you with training and experience to further your career development
- offering salaries which will attract the most able candidates.

If you are interested in the challenge of helping to solve our clients' problems and, at the same time, wish to further your own career, please write, giving relevant details of career and salary progression, age, education and qualifications, to Dr. I. Bowers (quoting ref. 672/B on both letter and envelope),

**Deloitte, Haskins & Sells,** Management Consultants,
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JX.

# APPOINTMENTS ALSO APPEAR TODAY ON PAGE 6

APPOINTMENTS ALSO APPEAR TODAY ON PAGE 6

# Financial Administrator —Europe

Squibb Corporation is a large and successful U.S. group with a worldwide turnover of $1½ billion in pharmaceutical and consumer products. One of its major product divisions, Life Savers Inc., requires a Financial Administrator to take full charge of the administrative and financial function for its European operations.

He or she will be based in Central London and will be responsible for the following:

1. Legal, administrative and accounting matters involved in setting up businesses in various countries.
2. Financial control and reporting procedures for U.S. divisional headquarters.
3. Financial analysis and advice to Managing Directors and marketing staffs of European companies.
4. Recruiting and supervising all staff required in the performance of these duties.

This is a challenging post with excellent prospects for candidates who can combine the "shirt-sleeves" task of start-up operations with the organised approach required for long-term development. Candidates should be qualified accountants holding a university degree, preferably in accountancy, finance or related subjects, and should have had several years' management experience of financial planning and control in relation to fast moving consumer products. They should also be fluent in German and have considerable experience of dealing with banks, government agencies and professional advisers in the setting up of business operations in a European context. Experience with American subsidiaries, and fluency in French would be added advantages.

The most likely age group is 30-40 and frequent travelling may be necessary initially.

The earnings package is negotiable and will consist of a five figure starting salary, company car and executive pension scheme commensurate with the importance of this key post.

ARC — Send adequate particulars in confidence to A. R. Cockell, F.C.A., ARC Management Recruitment, Suite 5, Warwick Street, London W1R 5RD.

# Financial Controller

## Circa £11,000 +Significant Benefits Package East Midlands

Our client is one of Europe's most successful specialist engineering groups, with annual sales exceeding £200M. The member companies – market leaders in their field – operate mainly in the construction equipment, commercial refrigeration, defence and mechanical handling industries.

With 16 manufacturing locations in this country and eight overseas subsidiaries, each committed to extensive business plans for expansion, the group finance function has a highly important and challenging task.

As Controller, you would be responsible to the Finance Director for co-ordinating group reviews, consolidation and monitoring of individual company plans and performance reporting to optimise total profitability. You would also be involved in investment actions, including assessment of acquisition prospects and new business opportunities.

This position calls for an ability to motivate a team of professionals to achieve demanding objectives and meet tight reporting deadlines, but offers rewarding scope for exercising substantial management influence and subsequent career progression into general management.

You should have attained high standards of academic and professional accountancy qualification. Your experience in the finance function must be broad based and preferably embrace both the accounting and analysis areas in an engineering environment. Experience of corporate planning is also highly desirable.

If you are attracted by this opportunity with a highly successful group, write, in confidence, enclosing a concise resume of your career and remuneration to date, naming companies to which you do not wish your application to be forwarded, to:

E. M. Joy (879 FT)
Lopex Limited
St. Martin's House,
110 St. Martin's Lane,
London WC2N 4BH

LOPEX LIMITED

# Finance Director

The Heron Motor Group which incorporates companies engaged in most aspects of the motor trade has undergone an era of almost unparalleled growth, doubling its profits in the last year.

This growth is continuing and a Finance Director is now required to take overall control of the company's financial matters. This is obviously a key position and demands a well-qualified Accountant with an intimate knowledge of management and financial accounting.

The individual we appoint will be able to maintain and influence the development of systems and controls and provide authoritative information which will enable management at all levels to take decisions which will enhance the prosperity of the business in the short, medium and long term.

The position will appeal to Accountants currently earning in excess of £10,000 per annum and carries a company car, pension scheme and Share Option Scheme.

An individual capable of making a substantial contribution to the Group's success can anticipate a very rewarding future.

Applications, which will be handled in complete confidence, should be sent to:

F.S. Reynolds,
Chief Executive,
Heron Motor Group Limited,
Heron House, 19 Marylebone Road, London NW1 5JL.

HERON

# ACCOUNTING SUPERVISOR

**Age 26-32 £6,000 + Bens.**

European Bank requires ambitious person with an accounting background preferably acquired within a Banking or related financial environment. Progress towards an appropriate professional qualification would be advantageous, and a knowledge of taxation is essential. Personal qualities required are an ability to supervise, and the capacity to institute control systems. Prospects, working conditions and fringe benefits are among the City's best.

## LOANS ADMINISTRATION

**Age 23-26 £4,500**

Rapidly expanding International Bank seeks ambitious Banker with sound basic background augmented by a minimum of 2 years' Loans Admin. experience. This is an outstanding opportunity for advancement based on ability and a capacity for hard work.

## INTERNAL AUDIT

**Age 25-30 £5,000+**

Consortium Bank requires to complement its audit function by appointing a young Banker with previous experience of internal auditing. A.I.B. or accountancy qualification is essential. Career prospects are considerable, as are the benefits.

*For further information regarding these and other banking positions please telephone* Rod Jordan

**BANKING PERSONNEL**
41/42 London Wall · London EC2 · Telephone: 01-588 0781

(Recruitment Consultants)

# Bankers Trust International seek a Qualified Accountant.

He or she will be responsible for all financial and management accounting, the preparation of management and annual accounts and regulatory returns.

The position arises from the planned re-assignment of the present Accountant within the Bankers Trust Group in mid-1978.

Reporting to the Director, Administration, the Accountant is supported by a Controller and his staff of six.

The ideal candidate will have experience of bank accounting, preferably gained with an American bank. A working knowledge of taxation is desirable.

The Accountant is expected to attend Board Meetings to present and comment on the management accounts, so clarity of thought and expression is essential. Preferred age range is 30-40.

Salary is negotiable, but candidates currently earning less than £8,000 are unlikely to have the necessary experience. Fringe benefits are those usually associated with banking positions.

Interested persons should request an application form by letter, briefly describing how they meet the above requirements, from the Secretary, Bankers Trust International Limited, 56/60 New Broad Street, London EC2M 1JU.

BTI

BANKERS TRUST INTERNATIONAL LIMITED

# Financial Director

## Blyth, Greene, Jourdain & Co Ltd

**£20,000 - £25,000**

Our client is a successful, long-established family-owned Group which is an associate company of John Swire & Sons and has diversified International interests in trading and manufacturing. It has a requirement to recruit a Financial Director to join it's City-based headquarters. The Director will be responsible for all aspects of the Group's finance function. The right man or women will be 35—45, a qualified accountant, have a good educational background, and at least 5 years in the profession and/or management consultancy. Subsequent experience must include senior financial management responsibility in an industrial/commercial environment, also some trading and overseas experience would be an advantage.

Please write giving full career details to David Munns at:—

KORN/FERRY DICKINSON LIMITED
20 Queen Street, Mayfair,
London W1X7PJ

KORN/FERRY INTERNATIONAL

## ACTIVE MEMBER

with useful commission income seeks association with member firm possibly combined with salaried dealing.

*Write Box G.1177, Financial Times, 10, Cannon Street, EC4P 4BY.*

# McKELLAR WATT

## CHIEF ACCOUNTANT (Director Designate)

**c. £9500 p.a.**
plus
Performance Bonus and Company Car

An outstanding opportunity is offered to join this expanding independent company, Scotland's market leaders in fresh and frozen Sausages, Pies and Cooked Meats, employing over 600 people.

The duties are broadly those of a company secretary, combined with the maintenance and development of a firmly established system of integrated budgetary and financial controls. In addition the successful candidate will require to work with an active Executive Board in the application of Long Range Planning techniques, including the financial implications of associated projects.

The person we are looking for is probably a Chartered Accountant, age 35-45, with a proven track record preferably in a fast-moving consumer goods industry. Remuneration package includes salary, performance bonus expected to be around 20%, exclusive use of company car, and normal fringe benefits.

Applications in strict confidence to:—
G. M. WARD
MANAGING DIRECTOR,
McKELLAR WATT LIMITED,
17 OLD SHETTLESTON ROAD,
GLASGOW G32 7ES

# INVESTMENT ANALYSIS/ MANAGEMENT

Clerical, Medical and General is an established Life and Pensions office of high repute with existing funds of over £400m. and £50m. per annum becoming available for new investment. This continuing expansion requires the recruitment of an addition to the team of Investment professionals located at our London Head Office in the West End.

The successful candidate will be aged under 30 with accountancy qualifications and/or a good class degree in a relevant discipline followed by some industrial or commercial experience.

Previous investment research experience is not essential, as a thorough training will be given, but a positive contribution to the management of the British equity investment (present value over £100m.) will be expected at an early stage.

Attractive progressive salary, non contributory pension, and, after a qualifying period, subsidised house purchase. Where appropriate, assistance with re-location expenses will be given.

*Please write, enclosing curriculum vitae to:—*
Mr. N. Jones,
Assistant Secretary (Staff),
Clerical, Medical and General Life Assurance Society,
Narrow Plain,
Bristol BS2 0JH.

CM&G

# INTERNATIONAL LEGAL COUNSEL

One of Europe's leading banks requires a senior in-house lawyer to service its considerable overseas and domestic interests. The person appointed will join an established team at executive level in the bank's headquarters office. The team provides a full range of legal services including involvement in commercial negotiations, and liaison with outside professional advisers. Experience in the fields of syndicated euro-currency loans and other merchant banking activities will be an asset.

Our clients wish to consider U.K. or U.S. qualified lawyers aged 27-35 yrs. who have diplomatic skills, commercial understanding, good drafting ability and a commitment to living in Holland. The bank is prepared to make mortgage assistance available and envisages paying a salary of 60/70,000 Guilders which will provide a standard of living equivalent to a U.K. resident with over £12,000 p.a.

Applications which will not be passed to our client without express consent should be made by writing to or telephoning R.J.G. Macdonald.

**REUTER SIMKIN** 1 LINCOLN'S INN FIELDS WC2 01-405-6852

# CHIEF ACCOUNTANT/ COMPANY SECRETARY

required for international trade finance company being established in central London with considerable backing by overseas trading and finance group. The successful applicant will:

a. already have acquired in depth knowledge of export finance, documentary procedures and systems including E.D.P.,
b. have probably worked in a Merchant Bank, Confirming House or international trading environment,
c. probably be professionally qualified,
d. work closely with very experienced senior management,
e. be seeking a challenging appointment with considerable potential demanding hard work and responsibility,
f. probably be aged 28-45.

Salary and fringe benefits negotiable according to background.

Replies in the first instance with CV's to
EUROPEAN INVESTMENT CONSULTANTS
Room 24-25, 175, Piccadilly, London, W.1.

THE BRITANNIA GROUP OF INVESTMENT COMPANIES

A VACANCY EXISTS FOR

## A JUNIOR DEALER

Previous dealing experience preferred, but not essential. Good knowledge of Stock Exchange procedures required.

Preferred age 24-28 years. Salary negotiable.

*Please apply to:—*
Mr. E. J. Farrell,
Managing Director,
BRITANNIA FINANCIAL SERVICES LTD.,
3, London Wall Buildings,
London Wall, EC2M 5QL.

# HOLDERS OF REPRESENTATIVES LICENSE

Required for aggressive organisation, providing a complete range of financial services to non-discretionary private clients—excellent prospects. Also Trainees required—must be able to obtain references from:

1) A Bank Manager
2) A Member of the Stock Exchange
3) An Accountant or Justice of the Peace

Write Box A.6210, Financial Times, 10, Cannon Street, EC4P 4BY.

# APPOINTMENTS WANTED

## EXECUTIVE

with wide international experience seeks association with financial institution or company active abroad. LLD specialised in project finance engineering and management of foreign business. Connections in capital markets. Bilingual English/Spanish, working French and Italian.

*Write Box A.6211, Financial Times, 10, Cannon Street, EC4P 4BY.*

## EX-MANAGING DIRECTOR

of large private house building company with 20 years' experience, seeks Directorship in similar field. Practise in land acquisition, planning, finance and all aspects of building.

*Write Box A.6205, Financial Times, 10, Cannon Street, EC4P 4BY.*

هكذا من الأصل



## The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

# No soft soap for shavers

BY PHILIP KLEINMAN

SHAVING is a serious business, believes the Gillette company. There is, therefore, nothing jokey about its new TV campaign for the GII twin-blade shaving system. The commercial, by J. Walter Thompson, interweaves a hard-sell demonstration of the product in action with shots of footballers scoring a goal. The connecting theme, for those interested in such things, is the "old one-two."

A couple of years ago, aficionados of TV advertising may remember, a much lighter-hearted approach was being taken. JWT created a comedy situation for GII in which an actor had a discussion with his face, reflected in the mirror. Gillette came to the conclusion that the product's progress would have been faster without this infusion of what agency people call creativity, and last year's campaign was an unhumorous one, featuring football celebrity Tommy Docherty.

If the thematic content of Gillette's advertising this year is serious, the amount it is spending is even more so. In all the company will put £2m. of promotional money behind its razors and blades. Of this, £1.3m. will go on advertising GII, and £250,000 on the first TV burst, due in March, for its new twin-blade disposable razor.

Wilkinson Sword promises to match Gillette promotional pound for pound. As ever, the two rivals disagree about precise market shares. Gillette, quoting one set of market research statistics, reckons to have 46 per cent. of the entire £24m. wet-shaving market, against 42 per cent. for Wilkinson. The latter, quoting another survey, claims 50 per cent. against 34 per cent. for Gillette.

Where both agree is that Gillette is far ahead in the "systems" sector of the market. Wilkinson concedes 18 per cent. to GII, compared with merely four per cent. for its own twin-blade system and 10 per cent. for Bonded. Gillette says GII has 27 per cent. and confidently expects it will reach 30 per cent. this year.

Another point of agreement is that disposables will this year capture 15 per cent. of the market. Wilkinson is to launch its own £250,000 TV campaign for a twin-blade disposable next month, through agency Masius Wynne-Williams. Both the giants have been pushed into making a strenuous effort on the disposables front by the success of the French-based company Bic.

In some countries, including Italy, Greece and Austria, Bic has already made great inroads with its single-blade disposable razor. In Britain it is credited with four per cent. after two years but is in process of substantially expanding both its advertising and its distribution. Previously its product has not been sold in Boots or Woolworths, which between them account for some 35 per cent. of razor blade sales in the country.

Reasons for the success of disposables vary from country to country. (In Italy, because of the shortage of coins, tobacconists give them in lieu of change.) Cheapness, however, is obviously one of them.

Recommended price for a Bic in Britain is 8p. Gillette is recommending a price of 33p for a packet of three disposables, the average life of each of which is said to be 21 shaves. Wilkinson's recommended price is 19p for a packet of two. With promotional price cuts, the Gillette packets are already available in multiples at prices as cheap as 16p.

According to a piece of research carried out last summer by Gillette itself, 40 per cent. of people buying Bic disposables were newcomers to wet-shaving. They included women as well as men who were accustomed to use electric shavers. (Despite some recent growth in electric, or dry, shaving, sales still account for less than half those of wet-shaving products.)

The survey, though its results may have been influenced by holidaytime factors, helps to explain why both the shaving giants believe they must get into disposables. So far there appear to have been no public protests against the unnecessary waste of raw materials involved. Perhaps, when the campaigns are all going full blast, the ecological lobby will wake up.

# Kraft spending up 50%

KRAFT FOODS has raised its advertising budget to £3.5m. for 1978, an increase, according to the company, of 50 per cent. on last year.

The drive follows the merging of the company's four sales forces into two national sales divisions, one of which is to deal with multiples and co-ops. John Foley, marketing director, reports that 1977 was a difficult trading year in many ways but that targets were achieved in "virtually all sectors." This year the consumer is the prime target.

Posters, the Press, women's magazines and national TV are all in the schedules. And, for the first time, there will be a test local radio campaign for the new Cheese Fayre range of frozen foods. Some £185,000 is to be spent on support for industrial and catering products.

● J. Walter Thompson reports that new business gains in Europe (including the U.K.) last year amounted to £21.9m. — a rise of about 47 per cent. on new business in 1976. Denis Lanigan, executive vice-president of JWT and chairman of the London group, forecasts 1978 billings in Europe of $400m. Charities Aid Foundation has appointed the London agency.

● Mike Chamberlain, editor of Campaign magazine for the past two years, has left to start his own publication covering the advertising and marketing industry. To be known as Adnews the first issue will appear next month. It will be published twice weekly on Mondays and Fridays and will go to 2,500 leading figures in the marketing world—in agencies, media and leading marketing companies.

For the first year at least Adnews will be free; relying on advertisers to pay for itself. Its backer is a European publishing company. There will be 16 to 20 pages and the coverage will include features as well as news. At least one member of the current Campaign staff is joining Adnews.

Chamberlain's split with Campaign was precipitated by disagreements over the planned Campaign Europe publication.

● Flatteau Advertising Partnership is to handle the campaign by Thorn Electrical Industries to celebrate the group's 50th anniversary this year. A new corporate identity programme is being brought in.

● Costain has asked McBride Partnership to act for three subsidiaries: Costain Mining, Foundation Engineering and Pilcon Engineering.

● A. and F. Pears is spending £200,000 in the first quarter on promoting Lasting Care hand lotion and Pears soap in women's magazines. Further bursts are planned.

● The Institute of Marketing, in conjunction with its marketing education group, is launching "Marketing author of the year awards." Lord Robens will be chairman of the panel of judges.

● New members of the council of the Advertising Standards Authority are Antony Newton MP, Christopher Cory and the Rev. Paul Flowers. Mr. Newton is the Member for Braintree, Mr. Cory is a director of John Cory and Sons, and Mr. Flowers is a Methodist chaplain to the University of London.



# Advertisers and the new media

BY MICHAEL TOWNSIN

*A leading media director surveys the video environment of the next 20 years and the opportunities for new freedoms, increased advertising competition and specialised audiences*

PROPHECY IS NOT suffering an energy crisis, particularly when it comes to electronic media developments. For ten years we have been reading about the electronic revolution about to overtake our living rooms: Channel 4, Teletext, Viewdata, video cassettes, video discs, cable and satellite broadcasting. We kept on believing in it but nothing seemed to happen, so now a huge credibility gap exists at the very time when there is at last evidence that some of these facilities will shortly be within reach of the mass of consumers, initially in the U.S.

The predicted availability of these new media varies widely according to the point of view or self-interest of the author: usually missing altogether are the ways in which they might be utilised by advertisers.

With the advertiser in mind, then, let us try to give some realistic answers to the key questions posed by these developments: Who needs them? What impact will they have? How will advertisers use them?

One measure of people's appetite for television is the amount they pay for the privilege of viewing. The cost of a 22 inch colour set is about £300 and I estimate that over the seven-to-ten-year life of a set it costs the consumer another £300 in maintenance and repairs. The approximate two-thirds of colour sets which are rented cost an average rental of £105 a year—£735 over seven years, even without inflation.

Add to this the fact that the average home views five hours a day and that colour TV penetration is 52 per cent. and moving ahead steadily, and you have evidence of a pretty strong commitment to the medium.

Yet at the same time the domestic TV set is the most under-utilised piece of equipment in the British home, not necessarily from a time spent point of view but from a technical one. When a consumer buys a TV set he buys the electronics for more than 40 channels of entertainment and information but is lucky if he receives more than three, so it is arguable that his needs are not being fully met.

## Demand

Advertisers are in a similar situation: demand for advertising time and space is almost certain to keep on growing, which means that with to-day's relatively inelastic media supply, the cost of using media will continue to rise faster than retail prices and most other marketing costs. This will begin to have economic and political implications in an economy which is becoming more and more media-dependent.

One effect of this will be that advertisers will economise, as they are doing already, by reducing space sizes, commercial lengths and production costs. Consequently more commercial messages will occupy the same space, and advertisement clutter, which is already becoming a problem in some media at certain times, will increase. To these constraints must be added growing consumer pressures and advertising regulations concerning what the advertiser may or may not say.

So we *do* need more media. And the new electronic media promise more competition, new freedoms and specialised audiences. But unless these fragmented audiences are allied to improved communication effectiveness, they may not match up to the values of our present mass media. What impact can we expect from them in the near future?

Channel 4 is the newcomer most likely to have the greatest impact on the lives of the mass of consumers within the foreseeable future. How advertisers will benefit depends largely upon whether it goes to ITV or whether the Annan recommendation of a separate part-commercial channel is adopted.

Recent newspaper reports suggest that the Government is about to reject the Committee's recommendation and defer a decision on the allocation of the fourth channel for three years. This is good and bad news for advertisers. Good because the fourth channel envisaged by Annan would be of limited benefit to them not only in terms of creating more airtime to absorb growing demand but also in terms of audience appeal. Bad because a delay of three years, even if the fourth channel eventually goes to ITV, means that at least five years could elapse before it begins commercial transmissions. By that time, if present trends continue, demand for airtime will almost certainly exceed supply throughout most of the year. Only a change of Government, which seems unlikely, would bring forward the birth of channel 4 and in that event ITV would almost certainly get it.

The much publicised Teletext and Viewdata systems which transmit facsimile pages into the TV set by normal airwaves and telephone wires respectively, are essentially information facilities with huge business potential but very limited consumer potential for the foreseeable future. Even when these media do become available on a mass audience scale—probably not before the mid 1980s—they will mainly be of interest to retail, classified and recruitment advertisers.

What is the definition of a mass audience for electronic media? Based on experience in TV and radio here and in the U.S., 30 per cent. penetration is probably the critical level required of an electronic communications medium before it can lay any claim to being broadly based. Advertisers really became interested in commercial TV when it reached 30 per cent. of households; the same was broadly true of commercial radio. In the U.S., television began to overtake radio as an advertising medium when it reached 30 per cent. Key programming, such as the soap operas, began leaving radio for television at the same time, and most advertisers started supplying all of their commercials in colour when colour set penetration reached 30 per cent. of U.S. households.

Video cassettes, which are essentially devices for recording TV programmes direct from a set and replaying when required, will undoubtedly enhance the value of broadcasting by extending the life, use and significance of programmes. They are on sale now at around £500 but have virtually no domestic penetration. In the U.S., though, battle is being joined in the domestic sector by Japanese and U.S. companies in response to growing consumer interest, and by 1981 it is expected that at least 1m. units will be in consumers' hands.

On this evidence it seems highly unlikely that video cassettes will reach anything like critical mass penetration in the U.K. within the next decade. But will they ever do so? As in the audio cassette field, the biggest demand will almost certainly be for pre-recorded material. And it is in this rule that video discs, shortly to be launched on the consumer market in the U.S., may well eclipse cassettes. They are potentially cheaper to manufacture, more durable and more compact.

The growth of either of these facilities will depend much on the extent to which the price of hardware comes down and how soon they become integrated into new sets. Colour television penetration has reached 52 per cent. in eight years and will continue to grow steadily, aided, in this country, by the rental companies. It is they who could be the means by which the potential price barrier is overcome in the case of cassettes and discs, but not until servicing becomes relatively straightforward and economic.

Nor is it likely the rental companies will find cassettes and discs an attractive proposition until the steam goes out of colour TV rental or until volume production has reduced the price and maintenance costs of machines.

So at this stage, therefore, it is hard to be sure whether cassettes or discs or both will gain mass penetration or when this will be achieved, though one *can* say that current developments in the U.S. are about to provide a clue. In addition, world-wide sales volume will bring prices down to a more realistic level by the early 1980s which could make them a working proposition by around 1986-87.

## Revenue

How to harness cassette or disc for advertising or whether doing it will be worthwhile has scarcely been considered. Sponsorship of pre-recorded programming would seem to be the obvious and most practical route. Advertising revenue could help hold down the price of tapes and discs to a level which would make the medium attractive and affordable to the mass of consumers and therefore a viable commercial enterprise. Advertisers would pay for sponsorship (or might even take spot advertising) according to the judged popularity of the programme material; particular audience sub-groups could be targeted by programme type.

Cable television, which would facilitate almost unlimited choice and selectivity for consumers and advertisers and would virtually eliminate the threatened media supply problem mentioned earlier, seems to be in a state of suspended animation in the U.K. Existing narrow-band systems owned variously by the Post Office, relay companies, local authorities and others are relied upon for television reception by about 2m. homes, a figure which has scarcely changed since 1970.

There is little doubt that a national wideband cable network, probably owned by the Post Office, is the most logical way of developing a cable system. This would be integrated to carry telephone calls, computer data bank access, facsimile services and multichannel broadcasting. The Annan Committee concluded that the necessary investment in such a system, estimated at £1bn. to £1.5bn., would be unlikely before 1990, by which time technological developments such as fibre optics would have significantly reduced the cost.

In contrast, cable TV development in the U.S. is well advanced, with subscriptions expected to reach the critical 30 per cent of households by 1981. The revolution promised by cable will be well into its stride in the U.S. by the time U.K. advertisers and consumers begin to contemplate its vast potential.

Satellite broadcasting to individual homes on individual aerials or, via a community aerial, by cable, is even more remote a prospect here. Such a service would require a new generation of TV receivers in addition to expensive aerials. Satellite is also more suitable for providing the same service across very large land masses and, unlike cable, it is unable to provide a regional service. An international plan for satellite broadcasting in Europe has, in fact, recently been agreed, but before any service is launched the implications of programing and advertising overspill from one country to another will need to be discussed. Internationally-advertised products would be the main beneficiaries of such a service; for the rest it could create more hazards than opportunities.

No one should be surprised if these new media take as long as the computer, the photo-copier, radio or television set itself to show what they do best and to hit their threshold. But advertisers and agencies who utilise media which increasingly compete for the time and attention of consumers must continue to be concerned with when and how the new media will come into their own, and to plan to-day's action on the best estimate of what the future video environment will be.

*Michael Townsin is media director at Young and Rubicam.*

LOMBARD

# The CBI calls for a binge

BY ANTHONY HARRIS

EVEN before the publication to-day of the White Paper on public spending, the CBI has announced that it wants to start a debate. Its theme is simple: any increase in public spending at all is wrong; the sole aim of any Chancellor should be to cut income-tax. Now I am as fond as the next man of spending my own money, but I will follow the CBI's example and plunge into the argument before it is cluttered up with any facts. The CBI's argument is balderdash. So there.

The simplest way of putting my argument is to ask any member of the CBI Council how he would feel if his company had happened to strike oil on an unused site, and the shareholders at the next meeting promptly demanded that the entire capital windfall should be distributed to shareholders as fast as it could be brought in to cash flow. He might well argue that the company would like to use part of the capital to expand, and to strengthen its capital base by retiring part of its loan stock, and that in this way the benefit to shareholders would be long-lasting; but he would have no answer to the shareholder who argued that he must just trust the shareholders to reinvest whatever they did not choose to spend with the company if it could propose an attractive enough issue.

## This regime

Now it is possible that there is a Council member so devoted to the service of shareholders that he would simply swallow hard, resign himself to the fact that his share rating would not benefit at all in the long run from this binge, and pay up; but even such a man should hesitate before urging the same policy on the Government. Tax cutting is very nice, and I strongly support it; but tax increases would follow in due course if the Government insisted on treating the whole of its oil revenues as income, and replacing them from income-tax when they ran out. This regime of sharply rising taxation would cause national difficulties of a kind which have no parallel in the affairs of a company making a once-for-all distribution.

To be sure, it would be absurd to argue that because North Sea oil is capital, no part of the proceeds should be made available for consumption. The strength of the CBI's case is that up to a point, there is no way of securing that capital in productive form except by allowing consumption to rise, so that spending out of increased income will stimulate the investment which increased saving will finance. But it is equally absurd to conclude that because cutting taxes is helpful, it immediately becomes the sole objective of policy. The case for cutting taxes does not undermine the case argued by Sir Alec Cairncross in these pages for investing more in things like coal and roads, or for securing part of the benefit for future generations by reducing the national debt.

## Discretion

It is, then, the CBI's simple-minded proposal to erect tax-cutting into the sole objective of policy which I find irresponsible; but there is also room for doubt about their opposition to any increase in public spending whatever, even one well below the national growth rate and much further below the growth rate of revenue. Worthwhile public capital spending has been cut savagely in recent years, but this is the only spending which will create public sector assets to replace a small share of the oil. It would be nice to finance this by cutting current spending, much of which is wasteful; but transfers from the town hall or the civil service to the dole save only a limited amount of money. If the White Paper sets such a transfer as an objective I will be ready to cheer, even if initial progress is slow.

My intelligent member of the CBI Council may well comment that these arguments are all very well, and that privately he agrees with them. But he may add that the CBI is a pressure group out to edge policy in the desired direction, and that others can be left to put other sides of the argument. This is fair enough, but I suspect that overstatement is a weapon which needs to be used with discretion. An argument which is too one-sided can sound like the ranting of a saloon bar bore. The CBI has painfully been rebuilding a reputation for sound economic advice and analysis since its nadir in the days of Mr. Heath, when CBI briefs embarrassed Ministers. It still cannot afford to cut loose too often.

BUSINESS AND THE COURTS

# A setback for Italy's drug pirates

By A. H. HERMANN, Legal Correspondent

PHARMACEUTICAL products and processes could not hitherto be protected by patents in Italy, to the great benefit of numerous "pirate" drug companies making use of research done at great cost by other companies—mainly American, British, German and Swiss. The campaign to make Italy adopt legislation which would bring it into line with the rest of the EEC, and with other European countries, has been long and not so far successful. Ratification by Italy of the European Patent Convention would achieve this objective, but there is little hope that the Bill introduced last September will be passed by the Italian Parliament in less than two years.

When legislation is bogged down, lawyers look to the courts: a little twist of the old law can often make it look like new.

In this particular case the twist needed is of considerable magnitude. Article 14 of the Italian Patent Act (No. 1127 of 1939) expressly excludes pharmaceutical products and processes from patent protection. It was evident that no ordinary court could do the trick. For about a year attention was hopefully focused on the Italian Constitutional Court. According to reports the Court has now made up its mind to admit pharmaceuticals to patent protection through the back door.

Although in Italy law serves rather than rules, Italian lawyers have obviously lost none of the ingenuity demonstrated by their ancient Roman forebears and by the medieval law teachers of Bologna. The judges of the Constitutional Court will be able, it seems, to delete Article 14 of the Patent Act on the simple grounds that it infringes the equality of citizens before the law, which is guaranteed by the Constitution. It is held to be unfair that pharmacological researchers should be denied the patent protection that is enjoyed by other research workers.

## Frustrating

Will that be enough to provide effective protection to foreign researchers and to stimulate Italian research? Not as things are at present. The combination of long delays in the registration of new products by the Italian health authorities and of short "non-exploitation" periods after which compulsory licences can be granted, would probably provide sufficient means for frustrating the newly available protection by patent in most cases. Registration of a new Italian pharmaceutical product—without which it may not be sold—takes about five years. In the case of a foreign product one must add the period required for testing and registration in the country of origin. Assuming that only two years elapse between the application for and the granting of a patent, only a few domestic applicants would have their registration before the expiry of the three-year period after which the "unexploited" product becomes subject to compulsory licensing.

There is some hope that the double registration procedure can be speeded up by using the EEC machinery devised to provide acceptance throughout the Community of drugs registered by any member national authority. That machinery, however, is still in its infancy.

Help can also be expected from the ratification of the European Patent Convention. Failing that, there is a Socialist Bill in the Italian Senate proposing to extend the life of Italian patents from 15 to 20 years, and the waiting period before compulsory licences may be granted from three years to seven. In the meantime, the booming Italian market for pharmaceuticals, where per-head consumption of medicines is second only to that in France, still seems to be well protected against foreign penetration. But the time has come to consider possibilities created by the expected fundamental change in the law.

* * *

THE VALIDITY of restrictive agreements during the long years which elapse between their notification to the EEC Commission and the time when the Commission decides (if ever) that they are either innocent, or may be exempted because of redeeming graces, or are to be damned for ever, is a subject on which the European Court has changed its mind more than once. As a result, what now goes for law is illogical, confused, and confusing. The latest shift is a judgment given by the European Court in Case No. 59/77, shortly before the Christmas recess. It provides a glimmer of hope that the Court is changing its mind yet again, this time towards a solution giving greater weight to the need of businessmen to know where they stand.

The dispute in which this promising judgment was given is between a French manufacturer, Bouyer, and its Belgian distributor, De Bloos, whom Bouyer appointed in 1959 as its exclusive agent in Belgium, Luxembourg and Belgian Congo (now Zaire). The agreement, originally concluded for three years, had been tacitly extended until 1973, when it was ended. This resulted in a claim for compensation, to which an agent is entitled under Belgian law upon unilateral termination of an "undeterminate" agreement.

## Exemption

The French manufacturer's defence was that Belgian courts cannot draw any conclusions from this agency agreement because it had been invalidated by the EEC rules of competition.

The Agreement had been notified to the EEC Commission in 1963 and the Commission later wrote informally to the parties, telling them that after preliminary examination the agreement appeared to benefit from the general exemption of certain sole dealing agreements granted by Regulation 67/67.

In the dispute about compensation after the termination of the relationship, Bouyer took the view that the Commission had been wrong to treat the agreement so favourably. The case started to bubble with intricate procedural questions but the European Court swept them aside, holding that the only important consideration was that this was an "old agreement" (that is, one made before February 6, 1962 in respect of the Six and before January 1, 1973 in respect of the three new member States) and that such agreements if notified or not notifiable must be treated by national courts as fully valid until the Commission has decided otherwise.

That means that the court has replaced the "provisional validity" of these agreements by full validity. It is even more important that the Court used reasoning which should benefit also new notified agreements which now enjoy the peculiar status of "provisional invalidity." One must hope that the Court will soon be given an opportunity to rescue from limbo these rather more numerous agreements.

# Arctic Heir is day's best bet

RACING

BY DOMINIC WIGAN

WEST COUNTRY racegoers have the prospect of an interesting afternoon at Wincanton, where the jackpot-supported programme includes the John Bull Chase, in which Royal Frolic, Royal Marshal II and Irelands Owen clash, the Lillo Lumb Challenge Cup and the Red Lion Hotel Chase.

Fields for all three races have dried up disappointingly, but none has a cut and dried look, and it would be no surprise to find a busy market on the Somerset track.

My idea of the afternoon's best bet is John Thorne's locally trained Arctic Heir, who impressed me when chasing home Master Spy in the Mandarin Chase at Newbury on New Year's Eve.

Arctic Heir, who shoulders top weight of 11 st 7 lb in the Lillo Lumb Challenge Cup, would have run out a facile winner on the Berkshire course but for the presence of the extremely talented Master Spy.

With nothing of that rival's calibre in to-day's line up, Arctic Heir should gain an overdue success if his jumping does not let him down as it did in Ascot's SGB Chase before Christmas. I take him to give his shrewd owner-trainer another success—possibly at the expense of another sometimes chancy jumper, course winner Coffee Bean.

Royal Frolic, rated by many as the principal stumbling block between Midnight Court and a Cheltenham Gold Cup victory priced at 20-1 not many weeks ago, should land the John Bull.

The Fred Rimell-trained nine-year-old, who travels down from Worcestershire, came right back to somewhere near his best when defeating Cancello by 12 lengths in a match for Doncaster's Blyth Chase eight days ago. It will be disappointing if he cannot make his undoubted class tell against Royal Marshal II, whom he meets on level terms.

Although he receives 8 lb from that pair, the remarkably consistent Irelands Owen may be just out of his depth.

New Year good will was hardly in evidence at Towcester yesterday from where the opening show of the afternoon to the nation's betting shops was Evens Lochus, 6-4 Mannyboy, 5-2 Gay God, and 16-1 Woodham—130 per cent. overround.

WINCANTON
1.00—Venges Brake
1.30—Joint Venture
2.00—Arctic Heir***
2.30—Royal Frolic
3.00—Hipparion
3.30—Hunters Joy**

SOUTHWELL
12.45—Gay Twenties
1.15—Miss Plumes
2.45—Linden Dolly*
3.15—Sovereign Lane

# The agony of choosing

WINTER SPORTS

BY ARTHUR SANDLES

IN THE MINDS of most skiers there is the perfect ski resort. It has the well planned runs of Les Arcs, the extent of Les Trois Vallees, the snow of Aspen, the luxury of Gstaad, the costs of Panticosa, the apres ski of St. Anton, and, of course, the sunshine of Barbados. Throw in the comfort of Seefeld and the food of the Val D'Aosta and you really have ski heaven. And that is a long way of saying that if you are looking for perfection—there's no such thing.

Perhaps there should be one of those complicated decision-making wall charts for skiers. You know, the sort which leads you through a series of yes/no answers until the perfect solution is offered. Are you single, or married? Are you a good, mediocre or bad skier? Would you describe yourself as fun loving or a loner?

On reflection, the best ski holidays I've ever had were the ones which came as a surprise. The brilliant sunshine and ideal snow once found in January in the unlikely and tiny resort of Serfaus; the relaxingly flattering, and utterly deserted, glacier runs near Mt. Alyeska in Alaska; and, only recently, the short lift queues and friendly resort of Courmayeur in Italy.

## Carved out

A large number of experienced skiers these days find their way to France. Somehow the French have managed to achieve something the Austrians cannot do; plan resorts dedicated entirely to skiing. There is no wish to be unfair to the Austrians in that remark. The major difference between Austria and France is that Austria has long had a thriving alpine economy. Skiing arrived as an additional activity which had to be grafted on to valleys and meadows which relied on farming for their basic livelihood. The French resorts, particularly the modern ones, have been carved out of what is in effect virgin territory.

The disadvantage of many of the French resorts is that they feel very very new. Places like Flaine and even Les Arcs have about as much atmosphere at night as Llangollen on a November Sunday. They are not alone in this. Many American resorts have seen their apres ski wither away as apartments have replaced hotels. Do-it-yourself apres ski is the kiss of death for traditionalists.

If you take your own apres ski with you, therefore, in the form of family or (very) close friend, and if all members of the party ski, then France offers a great deal. If you are alone, or want to meet people, then France is not really for you. Look instead to Austria, to Spain or, if your pocket runs to it, to Switzerland. The Swiss constantly insist that you can holiday cheaply in their country which, if you like the life of a hermit, may be true. If you prefer to eat and drink in any sort of style you will probably do it better in Switzerland than anywhere else—but the cost will also be higher.

In your debating about which ski resort to choose do not rely too heavily on your travel agent, unless you have a special understanding with him. Very few travel agents have any real interest in skiing, and certainly not to the extent of knowing where the snow is good so far this year or what restorts are best for which standards of skier. You'll get much more help from a study of the snow reports published in the quality dailies and with the aid of information in the brochures (Inghams in particular has a very helpful chart on the way the slopes face and the facilities boasted by resorts). Winter sports brochures are often much more helpful than their summer counterparts.

If all that sounds alarming it is worth pointing out that just as the best ski trips have been those with an element of surprise, I have never known a really bad ski holiday—which is more than can be said about some so called sunshine trips. Snow or no snow, there's something about the mountains which makes it fun.

SNOW REPORTS

| | Depth (ins.) l. | u. | State of piste |
|---|---|---|---|
| Adelboden | 8 | 24 | Good |
| Andermatt | 20 | 40 | Fair |
| Avoriaz | 29 | 36 | Fair |
| Bormio | 5 | 20 | Bad |
| Champery | 12 | 30 | Good |
| Courchevel | 16 | 36 | Fair |
| Flims | 10 | 32 | Good |
| Garmisch | 8 | 20 | Good |
| Grindelwald | 6 | 14 | Good |
| Gstaad | 6 | 20 | Good |
| Murren | 16 | 38 | Good |
| St. Anton | 20 | 60 | Good |
| Verbier | 4 | 48 | Good |
| Zermatt | 2 | 16 | Fair |





# TV Radio

## BBC 1

9.41 a.m. For Schools and Colleges. 12.20 p.m. Closedown. 12.35 On the Move. 12.45 News, weather. 1.00 Pebble Mill. 1.45 Trumpton. 2.00 You and Me. 2.12 Closedown. 2.36 For Schools and Colleges. 3.00 Closedown. 3.53 Regional news for England (except London). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory. 4.35 Scooby Doo. 5.00 John Craven's Newsround. 5.05 Blue Peter. 5.35 Fred Basset.
5.40 News, weather.
5.55 Nationwide.
6.45 To-morrow's World.
7.10 Top of the Pops.
7.40 The Good Life.
8.10 Wings.
9.00 Party Political Broadcast by the Liberal Party.
9.10 News, weather.
9.35 Unemployment.
10.25 Omnibus: Jeanne Moreau.
11.15 To-night.
11.55 Weather, regional news.

All regions as BBC 1 except:

Wales—1.45-2.00 p.m. Barnaby. 4.35-4.40 Crystal Tipps and Alistair. 4.40-5.00 Mae Gen I Stori. 5.55-6.20 Wales To-day. 6.45-7.10 Heddiw. 11.55 Weather; news and weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 11.55 Weather; news and weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 11.15-11.45 I Didn't Know You Cared. 11.45 News and weather for Northern Ireland.

England—5.55-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth).

## BBC 2

11.00 a.m. Play School.
5.45 Open University: 5.45 Prospect; 6.10 The Pre-School Child; 6.35 Countdown to the Open University.
7.00 News, weather.
7.05 Your Move.
7.30 Newsday.
8.05 Cantilena: Recital of Renaissance and Baroque music.
8.35 World of Difference.
9.00 Party Political Broadcast by the Liberal Party.
9.10 One Man and his Dog.
9.45 F. Scott Fitzgerald: "The Last of the Belles," starring Richard Chamberlain.
11.20 News, weather.
11.30 Closedown: John Westbrook reads "Rural Life," by George Crabbe.

## LONDON

9.30 a.m. Schools. 12.00 Animal Kwackers. 12.10 p.m. Pipkins. 12.30 Make It Count. 1.00 News. 1.20 Help! 1.30 Crown Court. 2.00 After Noon. 2.25 Hunters Walk. 3.20 The Squirrels. 3.50 The Sullivans. 4.20 The Little House on the Prairie. 5.15 Mr. and Mrs.
5.45 News.
6.00 Thames at Six.
6.35 Crossroads.
7.00 Wish You Were Here . . . ?
7.30 Six Million Dollar Man.
8.30 This Week: India—The Forgotten Disaster.
9.00 Party Political Broadcast by the Liberal Party.
9.10 ITV Playhouse: "A Question of Time."
10.10 News.
10.45 Time for Business.
11.30 Kitchen Garden.
12.00 What the Papers Say.
12.15 a.m. Close: Joe Melia reads Buddhist poems by Christmas Humphreys.

All IBA regions as London except:

## ANGLIA

1.25 p.m. Anglia News. 2.00 Women Only. 4.20 The Secret Lives of Waldo Kitty. 4.45 Solo One. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Bygones. 7.30 The Bionic Woman. 8.30 Bless This House. 10.40 Police Woman. 11.40 Catch '77. 12.10 a.m. The Entertainers. 12.40 The Living World.

## ATV

1.20 p.m. ATV Newsdesk. 3.20 Beryl's Lot. 3.50 Houseparty. 5.15 Happy Days. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 The Bionic Woman. 8.30 Rising Damp. 10.40 Police Woman. 11.40 Master Gold.

## BORDER

†1.20 p.m. Border News. 4.20 The Lost Islands. 4.45 Solo One. 5.15 The Flintstones. 6.00 Lookaround. 7.00 Emmerdale Farm. 7.30 Mr. and Mrs. 8.00 The Streets of San Francisco. 10.40 This Week Special. 11.10 Policewoman. 12.05 a.m. Border news and weather.

## CHANNEL

1.18 p.m. Channel News. What's On Where. weather. 5.15 Mr. and Mrs. 6.00 Channel News and weather. 6.10 Fantastic Voyage. 7.00 The Big Film: "Houseboat" starring Cary Grant, Sophia Loren. 9.00 Review: Cement and coal. 10.38 Channel news and weather. 10.42 Focus on Wildlife. 11.10 TV Movie: "Lisa Bright and Dark." 12.30 a.m. News and weather in French.

## GRAMPIAN

9.25 a.m. First Thing. 1.20 p.m. Grampian News. 6.00 Grampian Today. weather. 7.30 Mystery Movie: Columbo. 10.40 Reflections. 10.45 Sportscall. 11.25 Baretta.

## GRANADA

1.20 p.m. This Is Your Right. 3.20 Looks Familiar. 4.20 Code R. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Macmillan and Wife. 10.40 What's On. 11.05 What the Papers Say. 11.25 Quincy.

## HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 3.50 Beryl's Lot. 4.20 Dynomutt—The Dog Wonder. 4.45 The Lost Islands. 5.15 Inki at the Circus. 5.20 Crossroads. 6.00 Report West. 6.18 Report Wales. 6.35 Beat in the West. 7.05 Mystery Movie. 10.45 Haydn's "The Creation."
HTV Cymru/Wales—As HTV general service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20-4.30 Malchiad Cymlaf. 4.30-4.45 O'r Locomotion I'r 125. 6.00-6.18 Y Dydd. 6.35-7.05 Sports Arena.
HTV West—As HTV general service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Sport West.

## SCOTTISH

1.25 p.m. Scottish news, weather and road reports. 2.00 Women Only. 5.15 Professor Kitzel. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Garnock Way. 7.00 Emmerdale Farm. 7.30 Charlie's Angels. 8.30 Rising Damp. 10.40 Wish You Were Here. 11.10 Late Call. 11.15 Thursday Cinema: "Cry of the Banshee," starring Vincent Price.

## SOUTHERN

1.20 p.m. Southern news, weather. 2.00 Women Only. 4.20 Shop. Look. Listen. 4.25 Little House on the Prairie. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Hawaii Five-O. 8.30 Rising Damp. 10.40 Police Woman. 11.40 Southern news. 11.50 What the Papers Say. 12.10 a.m. Weather, followed by Close: the Chief Rabbi.

## TYNE TEES

9.20 a.m. The Good Word, followed by North East news. 1.20 p.m. North East news and Lookaround. 2.00 Women Only. 3.20 Looks Familiar. 5.15 The Brady Bunch. 6.00 Northern Life. 7.00 Emmerdale Farm. 7.30 Quincy. 10.40 What Fettle! 11.25 Baretta. 12.25 Epilogue.

## ULSTER

1.20 p.m. Lunchtime. 4.18 Ulster News. 4.23 Big Blue Marble. 4.45 The Little House on the Prairie. 6.00 Ulster News. 6.05 Crossroads. 6.30 Reports. 7.00-9.00 As ATV. 10.40 Counterpoint. 11.10 Mind Your Language. 11.40 Rising Damp.

## WESTWARD

12.27-12.30 p.m. Gus Honeybun's Birthdays. 1.20 p.m. Westward news. 6.00 Westward Diary. 7.00 As Channel. 10.38 Westward news and weather. 10.40 Westward Report. 11.10 TV Movie: "Lisa Bright and Dark." 12.30 a.m. Faith for Life.

## YORKSHIRE

1.20 p.m. Calendar. 3.20 Looks Familiar. 4.20 Look Out. 4.45 Little House on the Prairie. 6.00 Calendar. 7.00-9.00 As Tyne Tees. 10.40 The Frankie Vaughan Show. 11.40 Wish You Were Here . . . ? 12.10 a.m. Man and Woman.

## RADIO 1 247m

(S) Stereophonic broadcast
6.00 a.m. As Radio 2. 7.02 Noel Edmonds. 9.00 Simon Bates. 11.31 Peter Powell, including 12.30 p.m. Newsbeat. 2.00 Kid Jensen. 4.31 Dave Lee Travis, including 5.30 Newsbeat. 7.00 Country Club (joins Radio 2). 10.02 John Peel (S). 12.00-12.05 a.m. As Radio 2. VHF Radios 1 and 2—4.00 a.m. With Radio 2, including 1.55 p.m. Good Listening. 10.02 With Radio 1. 12.00-12.05 a.m. With Radio 2.

## RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Ray Moore with The Early Show (S), including 6.15 Pause for Thought. 7.32 Terry Wogan (S), including 8.27 Racing Bulletin, 8.45 Pause for Thought. 10.02 Jimmy Young (S). 12.15 p.m. Waggoners' Walk. 12.30 Pete Murray's Open House (S), including 1.45 Sports Desk. 2.30 David Hamilton (S), including 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S), including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Country Club (S). 9.02 Folkweave. 9.55 Sports Desk. 10.02 Two by Two. 10.30 Star Sound Extra. 11.02 Brian Matthew with The Late Show. 12.00-12.05 a.m. News, weather, motoring information.

## RADIO 3 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). Concert: Arne, Handel, Mozart. 8.00 News. 8.05 Morning Concert (S): Berlioz, Schumann, Roussel. 9.00 News. 9.05 This Week's Composers: The Bologna School (S). 10.00 BBC Welsh Symphony Orchestra (S): Milhaud, Franck, Chausson. 11.05 Aeolian String Quartet (S): Haydn, Borodin. 11.55 In Short. 12.05 p.m. Aeolian String Quartet, part 2 (S): Schubert. 1.00 News. 1.05 Bradford Midday Concert: Mozart, Geminiani, Debussy, Ravel. 2.00 Liszt's Missa Solemnis in D (S). 3.00 Scarlatti Sonatas (S). 3.45 In Short. 3.55 Scarlatti Sonatas (S), part 2. 4.40 Wilanow Quartet (S): Penderecki, Ravel. 5.20 Finzi's Hardy (S): song recital. 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound. 6.30 Lifelines: The Wider World. 7.30 I Made a Rural Pen . . . (S). 7.45 Bournemouth Symphony Orchestra (S), part 1: Beethoven. 8.30 Finnish Mythology and its Rediscovery. 8.50 Bournemouth SO (S) part 2: Prokofiev, Sibelius. 9.35 Drama Now (S). 10.30 Music in Our Time (S). 11.25 News. 11.30 Tonight's Schubert Song.

## RADIO 4

434m, 330m, 285m and VHF
‡Medium wave only.
6.15 a.m. News. 6.17 Farming Today. 6.35 Up to the Hour including 6.52 VHF Regional news and weather. 7.00 News. 7.10 Today. 7.35 Up to the Hour, including 7.52 VHF: Regional news and weather. 8.00 News. 8.10 Today. 8.45 Yesterday in Parliament. 9.00 News. 9.05 These you have Loved. ‡10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. ‡10.45 Morning Story. ‡11.00 News. ‡11.05 Down Your Way. 11.45 Speaking for Myself. 12.00 News. 12.02 p.m. You and Yours. 12.27 The Burkiss Way. 12.55 Weather and programme news. VHF (except London and SE): Regional news and weather. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre. 3.50 Jack de Manio precisely, including 4.03-4.05 News. 4.35 Story Time. 5.00 PM Reports. 5.40 Serendipity. 5.55 Weather and programme news. VHF: Regional news and weather. 6.00 News, including Financial Report. 6.30 Top of the Form. 7.00 News. 7.05 The Archers. 7.20 Checkpoint. 7.45 The Black Lagoon. 8.30 Ray Gosling. 8.45 Hawks and Doves, part 4: Dag Hammerskjold and the U.N. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Any Answers? 11.00 A Book at Bedtime. 11.15 Financial World Tonight. 11.30 Today in Parliament. 11.45 News, weather; followed by interlude. 12.03-12.06 a.m. Inshore Forecast.

## BBC Radio London

206m and 94.9 VHF
6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.00 Carry on Councillor. 9.28 London Live. 11.03 In Town. 12.03 Call In, including 1.00 p.m. London News Desk. 2.03 206 Showcase. 4.03 Home Run, including London News Desk. 6.10 Look, Stop, Listen. 7.30 In Town. 8.30 Soul '77. 10.03 Late Night London. 12.00—Close: As Radio 2.

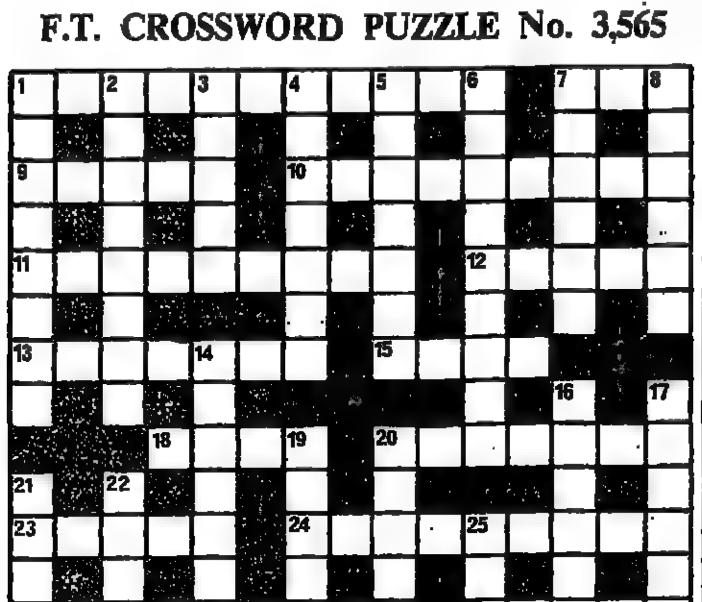
## London Broadcasting

261m and 97.3 VHF
5.00 a.m. Morning Music. 6.00 A.M. 10.00 Brian Hayes. 1.00 p.m. LBC Reports, including 3.00-4.00 George Gale's Call. 8.00 After Eight. 9.00-1.00 a.m. Nightline.

## Capital Radio

194m and 95.8 VHF
6.00 a.m. Graham Dene's Breakfast Show. 9.00 Michael Aspel. 12.00 Mike Allen with Cash on Delivery. 1.30 p.m. Roger Scott's Three O'Clock Thrill. 6.00 People's Choice. 7.00 Lord George-Brown's Capital Commentary. 7.10 London Today, with Anthony Wedgwood Benn. 7.30 Open Line, with Mr. Wedgwood Benn answering listeners' questions. 9.00 Jonathan King: Your Mother Wouldn't Like It. 11.00 Tony Myatt's Late Show. 2.00 a.m. Duncan Johnson's Night Flight.

## F.T. CROSSWORD PUZZLE No. 3,565



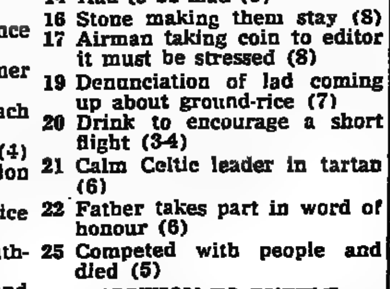
ACROSS

1 Plant making bread on Saar (6, 5)
7 and 28 Calm down! It's only membership fee to be paid! (6)
9 Pamphlet about motoring organisation in race (5)
10 Reserves last month had a book in consequence (9)
11 Food left inside entrance should stem the flow (9)
12 Hammer donated to learner (5)
13 Reduce the price of each broken pen (7)
15 Part of opposite location (4)
18 Second-hand American edition (4)
20 Native has to kill hybrid mice (7)
23 Rent meadow to the south-east (5)
24 Smoker caught one fish and French take note (9)
26 Bird gets a hybrid account (9)
27 Weep before exercises and vault (5)
28 See 7 Across
29 Did I let a pad become run down (11)

DOWN

1 Trick in part if I celebrate (8)
2 Read about one from the south and thought about it (8)
3 Well known like a piece of music (5)
4 Haggle about the landlord's profit (7)
5 Sailors caught on eastern ship in eruption (7)
6 Pleased with illumination in act (9)
7 Become hungry right inside bar (6)
8 Preserve a bundle of hay (6)
14 Had to be mad (9)
16 Stone making them stay (8)
17 Airman taking coin to editor it must be stressed (8)
19 Denunciation of lad coming up about ground-rice (7)
20 Drink to encourage a short flight (3-4)
21 Calm Celtic leader in tartan (6)
22 Father takes part in word of honour (6)
25 Competed with people and died (5)

SOLUTION TO PUZZLE No. 3,564



**Dublin**

# Festival of 20th-century Music

by MAX LOPPERT

Romantic Ireland's dead and gone, was Yeat's firm admonition; yet on a Dublin week-end in January brilliant with cold sunshine, the squares almost deserted, the light playing tricks on fantastic stucco and grillwork, an unusually persistent ghost of that romance seems to hover over the scene. It did so even during the first week-end of the 7th Dublin Festival of 20th-century Music—or perhaps one should say especially, in consideration of the improbably convivial atmosphere surrounding the festival organisation, and the lively air of communal involvement perceptible at almost all of the concerts.

The festival is biennial. For this reason, perhaps, and also because not a great deal of contemporary music is heard in Dublin in the intervening periods, interest appears to have been aroused more generally than is often the case at the higher-powered international gatherings—among the handy-sized audiences for most events there was a gratifying proportion of recognisable "real people," not just the usual meagre collection of critics and composers. In so far as there was a stated theme this year, it was constituted in the presence of Panufnik, Lutoslawski and Maxwell Davies (leading two Fires concerts) as featured composers; but the actual, if unstated theme was the obvious determination to represent almost every living Irish composer, even if no more than once. For the visitor largely unfamiliar with the Irish musical scene, it was this somewhat higgledy-piggledy dipping into the Irish bran tub that provided the principal interest.

The opening week-end showed the assortment at its most random, with senior figures and decoratively titled symphonies at Friday's opening concert, a display of composers under 30 and a Kagel-Zimmerman-Stockhausen event the following day, and a Sunday recital of string quartets.

Book Reviews are on Page 28

There was a feeling, by the end of this first stretch, that one had so far failed to meet an Irish composer with a really striking or distinctive speaking voice — perhaps he or she was being saved for later sessions. It would be foolish to generalise from the fact that one heard a fair amount of travelling down late-Romantic by-ways; but it was slightly strange to discover, in the young composers' concert, the strong apparent influences of Finzi or Rawsthorne in place of the more likely Berio and Boulez.

There was also a faint intimation of Never-Never-Land about two of the works in the Friday RTE Symphony Orchestra concert (during which both that brave band and the audience had to struggle against the dry sound and the ugly sight of the St. Francis Xavier Hall, Dublin's much-regretted substitute for a satisfactory concert auditorium). These were the Yeats song cycle, *A Woman Young and Old*, by James Wilson and the *Sinfonia "de Profundis"* of A. J. Potter. The former except in the grateful stretch of vocalise that opened and closed the work, pinned a dully contrived voice part, insensitive to the "diction" of the verse or else unsuited to the special qualities and timbre of Jane Manning's soprano, to some automatic twilight harmonies; while the latter proved to be a naive, overblown amalgam of Vaughan Williams pastoral and neo-revivalist ambitions in a crude *Symphonie fantastique* mould.

By contrast, the *Sinfonia votiva* of Aloys Fleischmann, doyen of Irish music, could boast seriousness of both craft and purpose in its development of a Mahler-like funeral march, and scoring skilful enough to suggest a body orchestral sound ampler than circumstances and performance (under the composer himself) permitted. A similar kind of note-for-note thoroughness, eminently respectable even when not actually very thought-provoking, could be recognised in John Kinsella's Third String Quartet, the first work played by the Testore Quartet in the Sunday afternoon recital given in William Chambers' lofty, beautiful, and acoustically rather foggy Examinations Hall at Trinity College.

Adventures, in the same hall, with the international avant-garde the previous evening had been no less suggestive of by-ways and, in the case of Bernd Alois Zimmerman's Sonata for Cello Sonata, even dead ends—this was despite a forceful reading by the young Siegfried Palm pupil Ulrich Heinen. Beth Griffith, a young American soprano with presence, dramatic skill well beyond the reach of better-known music-theatre participants, and a supply of purely pitched high notes, brought commitment to Kagel's sensational and soon squalid *Phonophonie*—supposedly the portrait of a decaying opera singer, actually an excuse for shock tactics at once familiar even if one hadn't encountered them before. Miss Griffin was better served by *Things That Gain by Being Painted*, a spoken selection from the 10th-century *Pillow Book* of Sei Shonagon framed with cello and piano support, by Gerald Barry (b. 1952). Perhaps this music-theatre piece mightn't have seemed so light-fingered had it come at the end of a less arid evening; as it was, the wit, economy, and sense of timing were devoured like manna. Perhaps, after all, Mr. Barry's was that single distinctive Irish voice.

**Record review**

# Songs of the Road

by ANTONY THORNCROFT

Running on Empty: Jackson Browne: Warner.
Don Juan's Reckless Daughter: Joni Mitchell: Asylum.

When popular music is finally accepted as a culturally respectable art form for a democratic age (a status already reached by the cinema) one of its recognised achievements will be the popularising of poetry in a musical setting—a feature, incidentally, of previous (fairly) culturally homogenous societies, like Homeric Greece and Bardic Wales. In other words Jackson Browne and Joni Mitchell will come into their own.

Neither might have Bob Dylan's skill in scattering images in a desperate, uncontrollable, richness—the hit-and-miss outpourings of an under-educated genius. Both Jackson Browne and Joni Mitchell are over-educated—their songs cannot avoid an art feel because they have always been conscious of Art. So it is hardly surprising that while Dylan was able to break through to a mass market, Browne and Mitchell have remained something of a college cult.

There are new albums now available from both. Jackson Browne is as musically impressive as ever but has become lazy of ideas; Joni Mitchell has produced a significant double album which is as far removed from the conventional Radio One idea of popular music as Isiah was from Irving Berlin.

It is a pity that Jackson Browne's *Running on Empty* is not quite as good as his previous work, *The Pretender*. The new album was recorded on tour, sometimes during concerts, sometimes in hotel rooms and back stage, once on the travelling bus which transported artists and road crew around the U.S. Invariably live recordings of songs are a disaster—old material emerging battered from poorly recorded instruments and drowned in sycophantic applause. That is not the problem here: the sound is good, the musicians excellent, especially the guitar of Danny Kotchmar, and there is a powerful feel of what it must be like to tour, constantly on the move, the long hours on the road and hanging around hotel rooms, the few minutes of excitement on the stage—and then on again. This feeling is enhanced because many of the lyrics are about touring—the roadies; the groupies; the tedium; the routine; the loneliness. And, of course, they are perceptive: not Oxford Dictionary of Quotations standard but very good.

"Highways and dancehalls/A good song takes you far/You write about the moon/And you dream about the stars/Blues in old motel rooms/Girls in daddy's cars/You sing about the nights/And you laugh about the scars/Coffee in the morning, cocaine afternoons/You talk about the weather/And you grin about the rooms/Phone calls long distance/To tell you how you've been/Forget about the losses, you exaggerate the wins/And when you stop to let 'em know/You've got it down/It's just another town along the road."

So starts *The Road*; it sums it all up, and, as an evocation of a working artist, it is commendable; it is just that it is a limiting experience. In *The Pretender* Jackson Browne was obsessed with loneliness: the old alienation syndrome, but achingly affecting because his wife was just dead and he had a young son to tell it all to. Some of the songs were maudlin, but they were genuine. *Run on Easy* is a fine documentary after an emotional masterpiece.

In contrast Joni Mitchell seems to be getting over her hang-ups. Her recent work was also dominated by what it was like to be a rich and successful, but far from content, lady super-star. Now there are still lots of love songs but written in a more detached and cynical style.

The familiar Mitchell rhythms and the familiar Mitchell melody (can there really be only one?) are there, made even more austere and mesmeric by the use of Latin and African backing instruments. Like all her work *Don Juan's Reckless Daughter* is not immediately accessible, and it is too easy to dismiss some songs as just pastiche, but eventually the spell starts to work. It finds the common ground between ethnic music, free-form jazz, and contemporary classical, with rhythms rather than tunes dominant, but it is high quality, and there are, of course, the lyrics, as in the title song.

"You're a coward against the altitude/You're a coward against the flesh/ Coward—caught between yes and no/Reckless on the line this time for yes, yes yes!/Reckless brazen in the play/Of your changing traffic lights/Coward—slinking down the hall/To another restless night." Joni Mitchell somehow manages to avoid pretentiousness and artificiality. However strong the images, there is a feeling that she has lived the event: she has certainly had the opportunities. Too often in the pop world the money cramps the creativity; it is easy to run out of ideas, experiences, and the need, when living on Malibu Beach. Joni Mitchell has gained a second imaginative wind in these songs of travel, memory, friends and lovers, and that is nice for everyone.

Joni Mitchell

Susanna Bishop and John Hudson

**New End**

# Private Dick

The latest arrival in town from the Edinburgh Festival is a celebration of Chandler's wise guy, Philip Marlowe, by Richard Maher and Roger Michell. The man on the door told me there was no interval. I slumped into a seat on the end of a row and felt like a drink. Outside it was raining. I looked at my programme. It listed the names of four actors. The lights dimmed. Half an hour later I came to with a start and realised I could see five actors. Something was wrong. Not only that, but the actor impersonating Marlowe took two matches to light one cigarette. A sense of uneasiness crept over me like an enveloping fog. Outside, it was still raining.

A character called Chandler with about a tenth of his model's intelligence has lost the proofs of his novel, *Smile and be a Villain*. He calls in Marlowe to track it down, anxious lest it should fall into the hands of some unsavoury shamus with a money-dripping contact in a Hollywood studio. He is visited by a pushy journalist from a critical quarterly, Miss Wanderly, in search of bright copy for an article on the best of crime fiction. Chandler drops a few no-nonsense nuggets that could have been filched from the master's essay on detective fiction. But he really wants to abscond with her to a smart bar.

For Marlowe to be dragged from his office and whisky bottle is, as usual, only a matter of time, but his style in so doing is here only a matter of sterile parody. John Hudson tacks on a few Bogart mannerisms to the image of a reluctant dick who can barely walk straight, let alone hold his tumbler. Not drunk, just gauche. The girl Wanderly (Susanna Bishop) has a nice big mouth and gives Marlowe the predictable come-on before heaving the cold shoulder after a starlit drive through Los Angeles. It is she, of course, who has plugged some poor cat-burgling blighter downtown and set up the goodies for a night-club owner, doubled by the unidentified fifth actor with a candy-chewing cop who resents Marlowe's activities.

Marlowe is on the scene of the crime in time to salvage a crucial pawn ticket before running into a blitz of police brutality. The ticket leads to the recovery of the manuscript and, although Wanderly turns the tables with a gun and bursts a cloud of derogatory abuse over Marlowe's head, the fumbling cops are on hand to save the day. Marlowe walks into a spotlight, turns up his collar, shrugs and squints through a nicotine haze.

As a collection of parodistic clippings affectionately presented, the play will serve. But it lacks grace, pace and dramatic style. I rose from my seat and pushed my way through the crowd. Some had enjoyed themselves. I looked up at the sky which hung over Hampstead like a great dark blanket. It was a long way back to the office.

MICHAEL COVENEY

**Lyttelton**

# Change of Mind

by B. A. YOUNG

The new six o'clock platform performance at the Lyttelton is a short play by Alan Drury, whose previous offering, *The Man Himself* (described as "an anatomy of a potential political extremist") was well enough thought of to prompt the theatre to advertise this one as "in some sense" a sequel.

Mr. Drury's aim seems to be to show how ordinary middle-of-the-road apolitical people can be swayed one way or the other by exposure to political events. John and Kate are as ordinary as they come, a kind of sub-N.W.1 couple with mothers-in-law and Penguins and framed prints of Low's drawings from the New Statesman (which paper they read). Their discussion, when they find themselves on the route of a National Front march, is flaccid and colourless. As the march passes their house, a brick comes through their window.

The policeman who visits them is an old friend of John's, an educated man who says things like "I've got a faintly obsessive mind that likes to close all the gates." His police work has persuaded him that most of the liberal reforms of our age have been passed against the wishes of the majority. Yet he has to enforce them. Now he is thinking of resigning.

In the third of the three short scenes the play is divided into, we are back with John and Kate two weeks later. There is to be another demo, this time in "a piddling little town in Leicestershire." John's mind has been so much changed by his experience that instead of believing, as he did, that "we mustn't oppose totalitarianism by curtailing freedom," he is going to offer his services as a picket.

Pretty naive, I found it, but then it is meant to be a warning about the effect of politics on naive folk. Only naive folk will find the arguments expressed by the characters in the play at all convincing, but their triviality, and the disproportionate results such arguments have, are Mr. Drury's themes. Though I cannot say they make for very gripping drama, Bryan Murray and Janet Key exchange the semi-detached politics amiably, and Glyn Grain copes well with the exhausted cop.

The director is Sebastian Graham-Jones, and this reminds me that yesterday I failed to record that the able direction of Frozen Assets at the Warehouse is the work of Barry Kyle.

**Elizabeth Hall**

# Mainly Schubert

by DAVID MURRAY

Tuesday's concert in the "Mainly Schubert" series began with early Beethoven — the amiable and funny little piano Sonata in G, op. 14 no. 2, played by Joseph Kalichstein. Though he delivered it with the right ironical neatness, his taste for blurring most staccato passages with a little pedal rendered it all almost too suave: Beethoven's jokes are never bland. Apart from the intrusive foot, Kalichstein's feeling for the style was not in doubt.

Schubert's great A minor Quartet was the centrepiece of the concert. The Lindsay String Quartet began it with wan tenderness, so softly and unemphatically as to make listeners strain a little: their collective sound is not very large in this hall, and it took time to adjust to their scale. By the Andante the "Rosamunde" movement — the committed detail of the performance was telling enough; the opening movement had seemed to want more amplitude of gesture to fill out its breadth, particularly with the restless tempo they chose for Schubert's "Allegro ma non troppo." For similar reasons, the haunted yearning of the Menuetto had something less than its due weight (too little stress on first beats, I thought); and yet the delicacy of the ensemble accommodated many subtle points. The finale was excellent, with enough tension maintained through all its dynamic checks to dispel any notion that relaxed good cheer was all that Schubert intended.

After the interval Mr. Kallchstein joined the Lindsay team (minus its second violin, and joined by Rodney Slatford on double bass) for the "Trout" Quintet. It was a far happier collaboration than the sensationally mismatched quintet which fished vainly during last year's Summer Music in this hall. Kalichstein's wellbred tidiness posed no threat to the strings: here and there he sketched a languid phrase which they at once glossed brightly—an odd switch of roles, since Schubert manifestly expected the piano to supply the icing for this confection. But the proper level of sprightliness (roughly: just short of rollicking) was generally kept up, and the piece exercised its usual charm as freshly as might be.

**Komische Oper, Berlin**

# Madam Butterfly

by ELIZABETH FORBES

After the single, disastrous performance of *Madama Butterfly* at La Scala, Milan, in February 1904, Puccini cut, added to and otherwise altered the score of his opera. At Brescia in May the same year this new version triumphed and has remained one of the world's most frequently played operas ever since. So much is common knowledge; less well-known is the exact content of the original *Madama Butterfly*, while its theatrical effectiveness, nearly three-quarters of a century after that catastrophic premiere, has been a matter of conjecture only. A new production of the original two-act version at the Komische Oper in East Berlin, directed by Joachim Herz, proves it to be perfectly viable and in some ways a definite improvement on the later, familiar version in three acts.

Most of the cuts made by Puccini are in the first act; they mainly concern Butterfly's relations and Pinkerton's far-from-complimentary remarks about them. The Lieutenant, a cad by any reckoning, appears in an even worse light when these cuts are opened: his nicknames for the servants, "Mug the first, second and third"; his slighting reference to Butterfly's uncles—"a thinker and a drinker"—and her other relatives; his offer to the guests of "candied flies and spiders, birdsnests in syrup . . . the most disgusting titbits to be found in Japan," add up to an appalling picture of condescending chauvinism. The new German translation prepared by Professor Herz and Klaus Schlegel does not try to soften the impression.

Act II suffered less from the composer's blue pencil: the most notable restorations to the first scene come in the Flower duet and in Butterfly's preparations for her vigil; the second scene's chief surprise is the absence of Pinkerton's "Addio fiorito asil," added for the Brescia performance. The dramatic structure of the scene is certainly tighter without it, though the tenor may consider he has cause for complaint in its omission. The greatest advantage that the original version of this act has over the revision lies in the substantial increase of tension that comes from playing the two scenes without interval.

Professor Herz sees the drama in, as it were, double focus: first through the eyes of Pinkerton as a quaint episode in his life, worthy of several pages of snapshots in an album—his immediate reaction, even to the Bonze's imprecations, is to reach for the Kodak hanging from his shoulder—and superimposed on that view, Butterfly's quite different vision of the same events, that gradually obliterates the picture underneath. The photographic theme is further developed in the ravishingly pretty sepia and white set by Reinhardt Zimmermann, and in Eleonore Kleiber's equally enchanting costumes, shaded from cream through milky coffee to plain chocolate. Even the curtain closes like the shutters of a camera lens.

Mark Elder, continuing a fruitful collaboration with Professor Herz that started with the English National Opera's *Salome*, conducts the excellent Komische Oper Orchestra in a performance especially remarkable for its refinement and delicacy. Full-blooded orchestra sound is not lacking when required, but in a modestly scaled theatre such as this, the climactic moments of Puccini's score can be achieved without over-emphasis, while the marvellous filigree work in both instrumental and vocal lines is clearly revealed. The chattering ensembles of the wedding party, soufflé-light in texture, form a striking contrast to the overtly emotional music that follows, and so become one of the best justifications for exhuming the original version.

Any performance of *Madama Butterfly* lays a crushing burden on the protagonist. Magdalena Falewicz, a young Polish soprano of ideally fragile appearance, has, like Butterfly herself, unsuspected reserves of strength and courage. Her voice, light and girlish in the early scenes, proves amply vibrant enough to ride the orchestra in the love duet. She sings "Un bel di" on a thread of tone but after the sighting of Pinkerton's ship her triumphant cry of vindication rings out generously. The confrontation with Kate, her farewell to the child and her death scene are tightly controlled, but, despite a lack of outward emotion, they make an agonisingly painful impact.

As Pinkerton, Gunter Neumann loyally obeys his director's instructions, thereby composing a figure of monstrous selfishness and unthinking prejudice. His bright-toned, fluent singing provides the modicum of sympathy necessary for Butterfly's infatuation to seem plausible. His more outrageous remarks are uttered with fatuous self-satisfaction, but there is no doubt that his passion for Butterfly is genuine, if short-lived. Unable to tolerate the intrusion of grim reality into the cosy memories of his Japanese interlude, he produces a photo of Butterfly to blot out the distasteful sight of her corpse.

The Consul, a more ambivalent character than usual, who shiftily hides the picture of one of Goro's geishas in his hat, and is persuaded by Pinkerton to offer Butterfly money in exchange for her son, is well played by Rolf Hounstein. Friederike Wulff-Apelt makes a youthful Suzuki who identifies completely with her mistress. Frank Folker, a brown bowler-hatted Goro, and John Moulton, exuding wealth as Yamadori, fit neatly into the production. Rolf Tomaszeewski as the Bonze and Rudolf Asmus as Yakuside represent Butterfly's Uncles (the thinker and the drinker). Dimitra Pitsilou is a lacquered Kate, correct but unforgiving in behaviour; Pinkerton will pay for his Nagasaki indiscretion for the rest of his life.

## Export licence suspended for a glass portrait plaque

Lord Donaldson, Minister for the Arts, has accepted the recommendation of the Reviewing Committee on the Export of Works of Art that a licence to export a glass portrait plaque by Dominik Bimann should be withheld until January 31, 1978, to give public collections in the United Kingdom the opportunity to offer to purchase it. This recommendation was made by the Reviewing Committee on the Export of Works of Art at their meeting on December 7, 1977. The committee considers that the item is of national importance under the criteria laid down by the Waverley Committee.

Any public collection in the United Kingdom which is interested in making an offer to purchase the item can obtain further information about the price and the person to whom the offer should be made, from the Expert Adviser, Department of Ceramics, Victoria and Albert Museum, London SW7 2RL.

Details of the item are: A glass plaque wheel-engraved by Dominik Bimann with a portrait of Joseph Williams Blakesley (1803-85), who became Canon of Canterbury in 1863 and later Dean of Lincoln in 1872. The licence has been withheld until the end of January, 1978.

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# Steel—time for decision

THE GOVERNMENT has been put on a spot by the latest report from the Commons select committee on nationalised industries. The committee is asking for a full Commons vote on the Industry Secretary's refusal to comply with its request for the papers relating to the British Steel Corporation's deepening financial crisis which have passed between him and the Corporation. It is concerned, first, to establish why the Corporation failed to warn the committee of the extent and rapidity with which its finances were likely to deteriorate when it gave evidence to the committee last May. It believes either that the Corporation's forecasting system is woefully inadequate or that it had deliberately misled the committee and perhaps Whitehill departments as well. Secondly, the committee has been annoyed by the refusal by all concerned—Ministers and Corporation alike—to reveal details of the options they say they have been actively discussing, information which it believes the House is entitled to have in order to have an informed debate.

### *Attention*

The Corporation's chairman, Sir Charles Villiers, came back on both points last night. His line throughout has been that solutions, which must inevitably involve plant closures and reduced manning levels, are more likely to be achieved by private negotiations with Ministers and the unions. As for the Corporation's ability to forecast the crisis, he points out that he did warn the Committee that steel, unlike other nationalised industries with which the select committee deals, is in a manufacturing sector heavily subject both to sharp demand cycles and world market competition.

For the moment, however, it is Ministers not Sir Charles who are in the pillory. If the Commons were to approve the select committee's motion—and on a matter involving the prerogatives of the House the Government cannot be certain of getting its way—it will not be easy for Ministers to sustain their refusal without adopting some contrivance, such as declaring the papers concerned Cabinet documents. More than that, by opening up the whole issue of the Corporation's losses — now running at around £10m. a week — the select committee *has* made it that much harder for Ministers to defer politically awkward decisions until after an election.

The constitutional issue raised by the select committee is a complex one. It would of course do no one any good if confidential matters became public knowledge in ways that made it even harder to complete sensitive negotiations, but Commons committees have an established procedure for excluding sensitive information from their reports and it has worked successfully on a wide range of subjects including defence. In any case, it would be a pity if the importance of this particular issue were to divert attention from the rest of the select committee's report for it has made a lot of highly sensible points.

A careful reading shows, for example, the extent to which successive governments are to be blamed for the Corporation's present situation. The world steel recession may be the immediate cause, the Corporation's performance may have been weak in many ways, and the trade unions may be faulted for refusing to co-operate in improved manning and better working practices. But the Corporation's development programme has been repeatedly delayed, it has been forced to keep open obsolete high-cost plants for employment reasons, and price restraint policies in the early 1970s forfeited revenue which would have reduced borrowings and the present heavy burden of interest charges.

### *Better*

To meet the present crisis, the committee says—and rightly so—the Corporation must be allowed to close down plants, negotiate much lower manning levels, and cut its investment programme. For the longer run, the Government must put its relations with the Corporation on a proper footing. It should set a coherent set of objectives, stick to them, and—having appointed a chairman and a Board—back them or sack them and avoid intervening. This is a line the select committee has been arguing consistently since the 1960s. The tragedy is that if it had been adopted by successive governments, the Steel Corporation would have been in a much better position to weather the present storm.

# Thunder on the French Right

WITH the French election campaign gathering momentum, the outcome of the crucial March poll has never looked less certain. A year, even six months ago, the odds seemed to be leaning heavily in favour of the Socialist-Communist Union of the Left. When the Union split apart in the autumn the pendulum started moving back towards the governing Centre-Right majority. Until only a few days ago the anti-Left forces were showing increasing confidence that they might in the end emerge quite handsome victors.

### *Anti-Gaullist*

Now such hopes have once again been shaken. With yesterday's announcement by M. Jacques Chirac, the Gaullist leader, that his candidates would fight against those of the rest of the majority throughout France, the split in the ranks of the centre-right is looking almost as serious as the rift in the Left. M. Chirac's action is in response to the decision of thet Centrists and Giscardiens to field their own joint candidates in the many constituencies where no accommodation could be reached with the Gaullists, a move he has denounced as the formation of an anti-Gaullist front inside the majority. His decision does not rule out the fielding of joint candidates of the majority in the second round, but it is bound to be a severe blow to the Government in the first.

M. Chirac's angry reaction follows a series of incidents in recent days that he has clearly found highly provoking. The Gaullists were not pleased by President Carter's suggestion to M. Mitterrand, the Socialist leader at the end of last week, that it would be undesirable for his party to share power with the Communists. This smacked to them of their old bogey of American interference in French affairs, with, they suspected, the connivance of President Giscard d'Estaing. Nor did they appreciate M. Giscard d'Estaing's decision to give M. Raymond Barre, the Prime Minister, the task of launching the Government's electoral programme in Blois at the weekend.

Episodes such as M. Barre's Blois speech and the electoral alliances between Centrists and Giscardiens are not just irritating to M. Chirac in themselves. Behind them he clearly sees fresh evidence of a grand Giscardien design under which a strong new group in the centre of French politics would team up with the Socialists in a future Centre-Left coalition, drifting Gaullists and Communists into opposition.

It is hard to see, however, such an alliance emerging from the coming elections. M. Mitterrand wants to be Prime Minister, but he does not want to damage his credibility as a champion of the Left by relying on the support of parties to his right. That would be playing into the hands of the Communists by allowing them to claim sole leadership of the country's genuine left-wing forces. Indeed, though the Communists are rebuffing him, M. Mitterrand is still maintaining his readiness to lead a Union of the Left Government if the two parties together gain a majority of the seats in the new Parliament.

### *Confrontation*

The Communists, however, are making it quite clear that they will only join a Government in which they have a strong influence. For the moment, the likely Communist share of the poll does not look like making them more than a junior partner in such a coalition. So the most likely outcome remains either an uneasy coalition of the present Government parties or, if the in-fighting on the Right continues, a minority Socialist Government, perhaps with tacit Communist support. French industry is afraid that the former would provoke a confrontation with the unions, the latter an economic crisis. Either way it looks as if President Giscard d'Estaing will be facing a difficult test of his leadership qualities.

# Ulster: the foreseeable surprise

By GILES MERRITT, Dublin Correspondent

Smiles at the Summit in September—but disillusionment was not long delayed. From the left: Mr. Callaghan, Mr. Lynch, Mr. Mason, and Mr. O'Kennedy, the Irish Foreign Minister.

THE BRITISH Government, observers are beginning to suggest in Belfast and Dublin, has miscalculated in the North and misjudged Mr. Jack Lynch in the South. This afternoon, when the Northern Ireland Secretary, Mr. Roy Mason, makes his promised statement to the House of Commons at question time, it will probably seem more in sorrow than in anger that he lays the blame for the present Irish debacle on Mr. Lynch, the Republic's prime minister. According to the British line, Mr. Lynch has either by gross incompetence but possibly by sinister design torpedoed political talks in Ulster by making controversial noises about reunification.

The impression given will be that an Irish gaffe has upset carefully laid plans for an interim settlement in Northern Ireland. That has also been the view of Ulster unionists, but there is now a growing body of opinion on both sides of the border in Ireland that Britain is at least equally responsible for the current crisis.

## Caught on the hop

There is no denying that the British Government was caught by surprise last Sunday afternoon when Mr. Lynch calmly told an Irish RTE radio interviewer that he believed the time had come for Britain to indicate an interest in encouraging Irish unity, and went on to suggest that it should reconsider the "negative guarantees" under which Ulster will remain part of the United Kingdom until a majority wishes otherwise. To be fair, Mr. Lynch's colleagues and officials were also caught on the hop, for many of them had been unaware of his mounting impatience with the Ulster deadlock. As for the British Embassy in Dublin, it seems in the unhappy position of having believed that a *modus vivendi* on Ulster had been established with the Lynch Government since its election in mid-June last, only to find suddenly that such was not the case.

As one British official put it this week: "We thought we had agreed with the Irish on short-term aims (the need for an interim settlement in Ulster), and had agreed to disagree on the long-term future (Irish re-unification ambitions). Now we find we disagree on both counts." If there is one thing that galls the British in all this, it is the feeling that they have been deliberately misled by the Irish.

On the Irish side, Dublin officials find it hard to believe that Britain could ever have mistaken Mr. Lynch's polite silences on the Ulster question for complaisant support.

The truth, of course, lies somewhere in between. The storm has been brewing since Mr. Lynch took office after regaining power from Mr. Liam Cosgrave's Fine Gael-Labour coalition in a landslide election victory. Neither Dublin nor London chose to acknowledge that the return of the traditionally anti-partitionist Fianna Fail party carried the risk of Anglo-Irish confrontation. Both Governments tended to dismiss as tendentious media comments that Fianna Fail, if anything, was more hardline in its determination that Britain must eventually leave Ireland, than it had been when it lost office in 1973.

The idea that Mr. Lynch had decided to put aside his party's tough policy statement on Northern Ireland—of October 29, 1975—"a central aim . . . is to secure by peaceful means, the unity and independence of Ireland as a democratic republic"—gained ground when he flew to London in late September of last year to see Mr. James Callaghan. Mr. Lynch had asked for the Downing Street summit immediately after his election, but when he failed even to draw attention to his policy commitment during the day-long talks it seemed in British eyes to be a conciliatory gesture. Mr. Lynch at that time pressed for Britain to push ahead and negotiate an interim political settlement in Northern Ireland. As Mr. Mason had already mapped out a scheme for administrative devolution that might achieve a non-legislative provincial assembly, the British Government was happy to oblige.

At that point, on September 28, Mr. Lynch seemed prepared to leave Ulster alone. Immediately after his meeting with Mr. Callaghan he told RTE radio that the time had not yet come to call on Britain to declare its intention of withdrawing from Northern Ireland at some future date. "That can come in time," he said. "But we shall have to judge the climate, the circumstances in which such a request will be made. . . . I do not know when that day will come. But in the meantime there is no point in arousing expectations that what we are asking for can be achieved. This is a question of political and ordinary judgment as to when we can move forward to that position. I am not saying that position obtains at the present time."

## Administrative devolution

After the Downing Street Summit, as Mr. Mason and his officials began their tricky discussions on administrative devolution with the official Unionist party, the Democratic Unionists, the Alliance Party, and with the mainly Catholic Social Democratic and Labour Party, Mr. Lynch began to make remarks that in retrospect appear to have been hints that the time was coming when he would demand withdrawal. In mid-November he told an invited group of Fleet Street leader writers that if the administrative devolution talks failed—and he clearly expected that they would—then the Dublin Government would have recourse to its official policy. By late December Mr. Lynch was saying, with reference to the idea that Ireland should drop its constitutional claims to Ulster's six counties, that an Irish constitution acceptable to the Unionists could only be considered when "elected representatives of the North and South get around a table to discuss the future of the country, following an indication by the British Government of its interest in moving forward by encouraging the unity of Ireland by consent and on the basis of agreed structures."

Given that Mr. Lynch had already started to make such obvious references to reunification, it was understandable that the Irish Government's first reaction to the row over his broadcast last Sunday was that it contained "nothing new." Apart from the vexed question of a possible amnesty for Provisional IRA prisoners in the Republic, that was fair enough, for in the kaleidoscope of Irish politics Mr. Lynch has in the past already said all the things he has repeated this week. The point is that Mr. Lynch this time said that while the talks on administrative devolution in the North were still going on. For a man whose skill in verbal obfuscation has caused the term "lynchspeak" to be coined, he has clearly chosen his time to be unequivocal.

The heart of the matter is that Mr. Lynch believed that the administrative devolution initiative had broken down, while in Belfast the Northern Ireland Office maintains that it had not, and moreover that there may yet be some chance of salvaging it. Mr. Mason is expected to-day carefully to leave the door open to a resumption of talks with Ulster's four main parties once the dust has settled.

## Basic system outlined

So, how advanced were the negotiations that might have restored administrative powers to Northern Ireland Before the Christmas break they had reached the stage where officials, talking separately to each party, had outlined a basic system for a proportionately elected 78-seat non-legislative assembly. From it there would be drawn, "under a system of proportionality" designed to give the SDLP guaranteed representation, committees matching each Northern Ireland civil service department. Ulstermen would thus have administrative control of housing, commerce, industry, transport, education and the like, but not of security and budgetary matters. The new assembly would also be empowered to discuss draft Orders in Council, the instruments Britain at present uses to run Ulster, and might also suggest legislation for Westminster to enact. After four years the interim system would be reviewed, and if Ulster's politicians appeared ready to legislate together in a calm and equitable way, a Stormont Government might become possible then.

The dominant official Unionists had been generally optimistic about this scheme, for it was after all their leadership's idea. It must therefore seem incredible to outsiders unfamiliar with the bog of Irish politics that the same official Unionists have now dropped the idea, and are instead talking of integration with Britain, because Mr. Lynch mentioned power-sharing. Although the term power-sharing has been dropped from official British use because it raises loyalist hackles, it was evident to all that the essence of administrative devolution was that it was a gradualist approach to eventual Protestant-Catholic Government. Mr. Lynch's assertion last Sunday, repeated in his communique, that Mr. Callaghan had given him "a firm undertaking that there would be no devolved government without power-sharing" was nevertheless enough for the Unionists to take fright.

First the official Unionists and then the Rev. Ian Paisley's Democratic Unionists said that they were boycotting the talks that had been due to start again in a fortnight. In defence, the SDLP, which has never shown much faith in the idea, also withdrew. The speculation is in Belfast that Mr. Harry West and the conservative bulk of his official Unionist Party were glad of a pretext to end the negotiations before the militant loyalist Paisleyites began to brand them as parties to a sell-out. What the political tacticians still cannot understand, is why Mr. Lynch should have given them a face-saving excuse.

Fluid and worrying as the situation now is, with the Unionists turning to integration while people in the Republic begin to rally around Mr. Lynch's nationalistic stand, it probably boils down to this. Mr. Lynch's intervention was premature, but it always had been a matter of time only before he made it. Administrative devolution was never the key to unlock the intractable deadlock—just a smokescreen that the local politicians were being offered to disguise that power sharing is the real issue. The basic differences about Ulster's future between Dublin and London are once more out in the open, but neither Government can afford to re-create the tension that the provisional IRA would once again thrive on.

## An unrepentant Mr. Lynch

What is not clear is where the two Governments can go from here. In the past four days both Mr. Mason and Mr. Lynch have dug themselves into positions from which they can be extricated only with difficulty. Mr. Lynch has backed up his original interview with an unrepentant communique underlining his call for Irish unity: Mr. Mason's statement of Monday branding Mr. Lynch's views as "unhelpful and untimely" was yesterday followed up by a further public rebuke. On the other hand, both Governments are used to making up Anglo-Irish controversies, although it is too early to say how they will do it this time. As one Irish diplomat remarked in Dublin last night: "Nobody is sending up doves of peace yet for fear that they will be shot down."

# MEN AND MATTERS

## Literary realism—Kremlin style

Robert Maxwell showe da careful deference to the susceptibilities of his host, the Russian Ambassador Nikolai Lumkov, when launching the new English version of Leonid Brezhnev's biography at the Russian Embassy. It was, he said, the first in a series of biographies of world leaders and would be shortly followed by that of Jimmy Carter. He refrained from adding that third in line is the biography of the Chinese leader Hua Kuo-feng.

He did, however, refer to the Soviet leader's current illness—only to be interrupted briefly by the Ambassador who pointedly asked: "Are you influnza proof, Mr. Maxwell?"

Having acknowledged that he, too, was a mere mortal, Maxwell went on to explain that this "authorised life story describing Brezhnev's rise from ordinary steel worker to supreme leader," as the blurb defines it, aimed at giving the English speaking world "facts about the Soviet Communist Party, its Government and people *as they wish to portray themselves to us.*"

As such, it clearly fulfils the function of portraying the leader as he would wish to be portrayed although I thought that C. P. Snow, who made a short supporting speech, probably got closer to the heart of the problem of understanding between the "two cultures" of East and West when he bemoaned the fact that the English-speaking world knows so little about Soviet literature—which, he claimed, was among the best in the world.

There must be plenty of scope here for British publishers to fulfil the spirit of the final act of the Helsinki agreements.

"Actually, I'm from British Steel."

## Cherchez la femme

President Giscard D'Estaing was elected President thanks largely to the female vote and one of his first acts was to create a "Ministry for the Feminine Condition" and even put a woman in charge of it. One of the most popular members of his present Government is Simone Veil, the Health Minister, and up to now the only ranking woman cabinet minister.

Thus, on Tuesday night the Elysee announced the promotion of three women — so giving France the most feminine Government in the world with six representatives including two full ministers.

The biggest promotion goes to 52-year-old Alice Saunier-Sieté who moves up from secretary of state to full cabinet rank as Minister of Universities. Her earliest ambition was to become an explorer but she went into the tough electoral jungle of Lorraine politics instead.

Monique Pelletier, who has somehow managed to run a family of seven children while tackling the juvenile drug problem for the last six months, has moved over to the Ministry of Justice while keeping her old position as well.

Nicole Pasquier, a former child psychiatrist, who has spent the past 18 months looking after "the feminine condition" in general will now be responsible for female employment conditions at the Ministry of Labour.

The newcomers join Christiane Scrivener (Consumer Affairs) and Helene Missoffe (Social Security) as well as, of course, Simone Veil, in the 41-strong Government team.

Elections are only two months away and 52 per cent. of French voters are women.

## In flammatory

As the firemen prepare to go down to bitter defeat, it is worth noting that one daily newspaper has given the strike front-page backing every day for two months—and has doubtless collected adherents in the Fire Brigades Union as a result. Every day the tabloid News Line has been assiduously delivered to the picket lines and the strikers photographed around their braziers. The paper is the mouthpiece of the Workers' Revolutionary Party (the Vanessa Redgrave faction on the Trotskyite left). Looking through the latest issue to land on my desk (splash headline: "NO, NO, NO—Massive Vote Against Fire Deal") I noticed an advertisement for a series of lectures at the "College of Marxist Education" in Parwich, Derbyshire, naming Cyril Smith as the star speaker.

Was it possible? I telephoned Alex Mitchell, an Australian writer formerly on the Sunday Times who is now a bulwark of News Line. He reacted by accusing me of doing a "hatchet job" on the Workers' Revolutionary Party in this column several months ago by saying it was in cahoots with Colonel Ghaddafi. "Libya's not Trotskyite," he complained. "If you know a Government anywhere in the world that supports Trotskyism, tell us and we'll head straight for it." After that *cri de coeur* we got back to Cyril Smith.

It appears that the WRP's top of the bill speaker is not the Liberal MP at all but a lecturer of the same name from the London School of Economics David Steel can breathe again.

## As Cripps said . . .

Anthony Wedgwood Benn, Energy Secretary, found a novel way of side-stepping a tricky question when he spoke at the Institute of Bankers on Tuesday night.

The first question was: What were the Labour Party's current plans for nationalising banks. "I will answer that, but at the end of the meeting," said Benn. And at the end of the meeting came his deft footwork. He produced a second cassette recorder onto the platform and relayed a speech delivered in 1935 by Sir Stafford Cripps, a predecessor in Benn's Bristol constituency. Cripps was heard to advocate more co-operatives, the end of profit for the few and the public control of key industrial and economic sectors —including banks.

Benn admitted that the speech made even him seem like a moderate. He left with the packed meeting applauding his eloquence and unexpected ending.

And he still had not answered the question.

**Observer**

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ECONOMIC VIEWPOINT

BY SAMUEL BRITTAN

# Right policies for the wrong reasons

THE MAIN point I want to make in this article is that the world's governments have adopted broadly the right overall economic management policies, but partly for the wrong reasons. We thus cannot rely on the righ policies continuing. But we have come through better than anyone had the right to expect in the dark days of the Middle East War, the oil prices explosion and all the other troubles which beset the industrial world in 1973-74.

Even such a qualified favourable judgment will cause eyebrows to be raised at a time of upset in currency markets and when the world's leading currency, the dollar, is once more under pressure. On the currency front we have, in fact, been there before: with the dollar in the events leading to the Nixon floating of 1971, and with sterling on innumerable past occasions.

Swap agreements of the kind announced last week always make the headlines, and often have a temporary impact on currency markets; but they never succeed in preventing the depreciation of a currency if strong market forces are against it. Debating points about U.S. cost competitiveness will not stop a slide of the dollar in the face of a U.S. current account deficit of $18bn., a liberal manufacture of new dollars which took place even under Chairman Burns, and an associated portfolio shift against the U.S. currency by holders of cash balances all over the world, including, I suspect, the U.S. itself.

Both experience and theory should, however, have taught us that currency depreciations seldom have the spectacular effects for good or ill that are so often expected of them. They cannot bring about permanent improvements in competitiveness, or in profit margins or provide export-led growth (itself a peculiar objective). Indices of competitiveness have a remarkable tendency to revert towards 100, if their base year is reasonably normal—and for very good reasons. Thus the former U.S. attempts to talk down the dollar or present German, Japanese or British attempts to prevent their currencies from rising, embitter international economic relations to no good purpose.

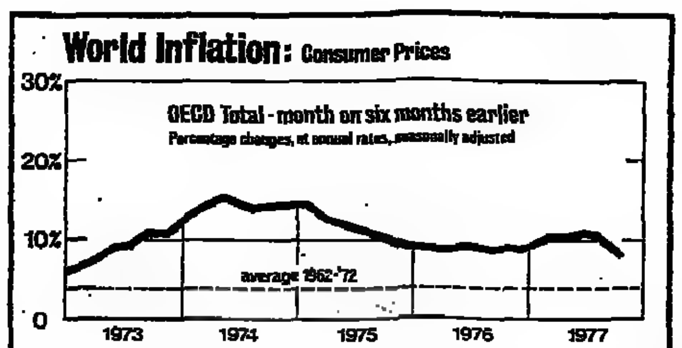
## Nothing gained

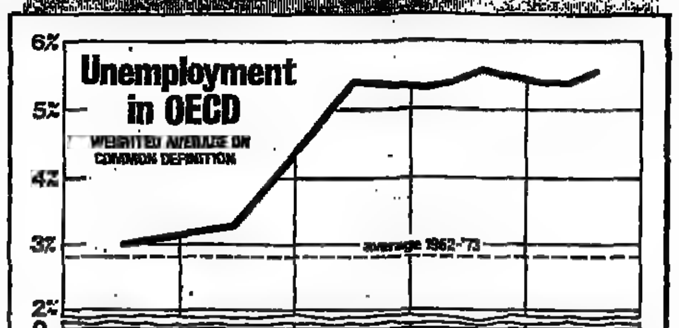
So long as separate currencies controlled by independent national authorities exist, nothing is gained by trying to hold them together artificially. If central banks are really convinced that the markets have got it wrong, they do not have to engage in highly publicised and highly political swap arrangements. Some straightforward market speculation in favour of the currencies believed to be too low would be both stabilising and profitable.

Changes in currency relativities have an inflationary impact on the depreciating country and an anti-inflationary effect on the appreciating one. While I should hesitate to say that the inflationary effect is yet one for one in a continental economy like that of the U.S., it is much much higher than is allowed in most American forecasting models, where *dollar* depreciation is given a negligible weight in the forces determining the domestic price level. The argument for occasional depreciation is the argument for conscious acceptance of some inflation as a rational response in certain circumstances, not one for denying the inflationary impact (Readers who feel that this can *never* be right might invest in John Flemming's *Inflation*, published by the Oxford University Press).

From the point of view of world inflation, exchange rate fluctuations between different currencies offset each other. What matters far more is the purchasing power of the world's main currencies taken together over real goods and services. The main disturbances to the world economy in the last few years has been not the changes in currency relativities but the five-fold increase in oil prices brought about by the action of the OPEC cartel in 1973-74. This led to a prolongation and intensification of an inflation which was already well under way. The rise in OECD consumer prices reached a peak of 13.4 per cent. in 1974, a good deal higher than would have been expected from the preceding rate of monetary expansion. At the same time the oil revenues accrued in large part to countries such as Saudi Arabia, Kuwait and the Gulf Emirates with limited spending outlets. Thus there was a rise in the world savings propensity without an immediate and offsetting rise in investment opportunities; this probably led to the first real post-war recession to which something like Keynes's diagnosis applied.

The rise in Budget deficits was not enough to offset increased OPEC and private savings without a contraction in activity and employment. But it was quite impossible to curb the prevailing double digit inflation without a recession. To have attempted to spend one's way out of the recession—as the so-called Keynesians were inclined to do—at a time when world inflation was in double digits would have been playing with fire and ultimately destructive of employment as well as of financial stability.




The first priority after the oil crisis was to make sure that inflation fell back from the double digit rate. A large part of the total unemployment problem—at a guess perhaps 12m. out of the 15 or 16m. registered workless in the OECD—reflects not slump or demand deficiency, but a structural increase, due for instance to the interaction of tax and social security on work incentives, or to increased rigidities in relative wages, or to a shift in the skill patterns demanded. To try to spend oneself into a target rate of unemployment in disregard of these changed circumstances would lead not just to inflation but to accelerating inflation, and eventually not just to exchange rate adjustments but real currency collapse.

The world's governments in fact muddled through to roughly appropriate policies. During the recession of 1974-75 they went slow on demand stimulation, and when world recovery began in 1976 they erred on what they thought was the side of caution to prevent another inflationary take-off. Towards the end of 1977, when the feebleness of the recovery became evident and the world inflation rate was clearly well into single figures and falling slightly, there was a shift to stimulus, partly as a result of U.S. prodding but mainly for internal reasons.

The size of the very latest stimulus is probably underestimated. Governments of countries such as Germany, Japan and the U.K. all tend to predict that much of their planned expansion in spending will leak abroad in imports, which is true of any one country on its own but not of all taken together.

It is possible to argue that some Governments, such as the American or German, persisted too long with anti-inflationary policies in 1974 or that the expansionary measures of 1975 were too quickly reversed in 1976-77 in view of subsequent developments in output, employment and prices. Even with hindsight the validity of this criticism is far from certain; but in any case the assumptions on which it is based illustrated much of what is at fault with economic thinking to-day.

It is quite wrong to evaluate either government policies or the behaviour of private markets by comparison with what might be possible given perfect foresight. The judgment must be in terms of feasible information and likely risks. To have switched off anti-inflationary policies in 1974 when inflation was well into double figures on the basis of mere forecasts would have been quite the wrong way to react to the available indications.

A more worrying matter is the creeping, case-by-case protectionism infecting the world. The surprising feature is that it has not been even more severe than it has, given the severity of the world recession and the producer bias of modern politics. Unfortunately the protectionist threat is being used by people who still do not understand why post-war full employment policies have broken down as a pretext for urging inflationary policies on the so-called stronger governments. The levelling off or slight fall in world inflation—which remains even if erratic food price movements are allowed for—suggests that unemployment may be above its sustainable rate; it is reasonable to try to stop the rise and adopt fiscal and monetary policies which might bring about a modest and gradual decline. But anything more ambitious would require tackling the rigidities of national labour markets.

## Old mistakes

At the moment not only are most governments easing their fiscal policies. The conventional indicators are also understating monetary growth. In the U.K., for instance, the normally quoted M3 increase is much lower than that of other monetary measures or of the reserve assets of the banking system. Such "errors" may be benign for a very short period—providing expansion without regulating inflationary expectations. But if they are persisted in once their existence is realised we will risk repeating all the old mistakes.

The immediate danger is of rising world unemployment giving a handle to protectionism and wasteful make-work programmes. The longer-term danger is still that of excessive financial stimuli triggering-off another round of world inflation as in 1972-73. The main country where the underlying rate of inflation has started to rise again, and to which the case for a boost least applies, is the U.S. But it is paradoxically now the country whose Administration is still most in the grip of the outmoded British-style demand management philosophy which proclaims that government can spend their way to target employment levels. (Indeed the Carter economic team is very much the Lyndon Johnson one with a new name at the summit.)

For the time being, the preoccupation with the overseas value of the dollar and threats of the Saudi Arabians are likely to lead to policies not very different from those which a re-elected Ford Administration or a reappointed Burns might have followed. Indeed, Professors Friedman and Samuelson are in almost word-for-word agreement in the current issue of Newsweek that future historians looking only at financial or economic charts would not know that there had been a change at the Fed.

Thus lucky accidents and the offsetting effects of conflicting political pressures and prejudices and the effects of market forces on currency values have led the Western world's economic managers to policies in advance of their own understanding. But for the longer haul we cannot rely on such good fortune; and we will need both better understanding and long-term guidelines to reduce the impossible load of discretionary decisions now placed on world leaders.

# Letters to the Editor

## Living with a strong pound

*rom the Senior Economist, ankers Trust Company.*

Sir,—Mr. Tim Congdon's exposition of the reflationary imulus from currency appreciation (January 9) is strongly rgued. But I do not understand ow "lower inflation will raise ie real value of money balances nd other liquid asset holdings." urely, all that a lower rate of iflation does to the existing ock of monetary balances is slow down the rate of decline their real value, not to inease it. It would require egative inflation (that is, fallg prices) to bring about a rise the real value of monetary lances, and I am sure that Mr. ongdon does not expect Mr. ealey's fight against inflation to quite as successful as that.

Perhaps what Mr. Congdon is tting at is the possibility that flation has now dropped below e rate at which nominal monery balances are being built up, that the real value of incremental monetary balances will crease. If so, I should think at the effects of this change ll be by no means as strong he suggests.

F. V. Ashby.
nkers Trust Company,
*Queen Victoria Street, E.C.4.*

## Exchange rate debate

*om Mr. D. McWilliams.*

Sir,—Mr. Congdon's comments anuary 9) cannot be allowed to s unchallenged, for his sugstion that a lower exchange e is contractionary in the ort-term and his assertion that view of the majority of onomists "is an incorrect w" are seriously misleading.

Mr. Congdon's analysis of the ects of different exchange tes is conducted as if exchange tes were determined in a cuum. Because he ignores the onomic factors that affect change rates, he fails to tinguish between the different uses of exchange rate movents and the different consences associated with them.

Three main potential causes of all in the pound are a shift of ancial sentiment away from U.K., expansionary domestic mand management policies, or hange in the extent of Governnt intervention in the exchange markets. A shift of sentiment away from the U.K. might be expected, either directly, or through induced policy measures to lead to both a contraction in domestic demand and a fall in the pound in the short-run. More expansionary domestic demand management policies, on the other hand might be expected to lead to both a higher level of output and a fall in the pound.

In the third situation, the direction of the short-run effects on demand of a fall in the pound is not clear, the expansionary effects of the induced increase in net exports being offset by the contractionary effects of the lower real incomes and possibly, tighter monetary policy, although the change in the degree of Government intervention in the foreign exchange market to give a lower value of sterling would tend to have expansionary monetary effects.

The argument in Mr. Congdon's letter appears to refer to the third case, but his example of the U.K. performance over the past two years appears to refer to the first case. The "exchange rate debate," however, at the moment largely concerns the second case, where a fall in the pound would be associated with an expansion of demand, rather than the two cases implicitly referred to by Mr. Congdon.

D. McWilliams,
*392, Shakespeare Tower, Barbican, E.C.2.*

## In the heart of London

*From the President, The Oxford Street Association.*

Sir,—The recent British Tourist Authority magazine carried an article "Retail Trade and the overseas shopper" in which it was stated that one Oxford Street retailer estimated that about 70 per cent. of 1976 summer sales business was with overseas tourists. Arthur Sandles, in discussing 1977 tourist figures (January 4) translates this into "London's Oxford Street stores look to tourists for as much as 70 per cent. of their business."

I would be obliged if the record could be clarified, not least because our regular British customers still provide the vast bulk of our business. Of our members' total turnover of £1.6bn.-£1.7bn. in 1977, some £250m., that is about 15 per cent., came from tourists. This equivalent to one-third of all tourist spending in shops in Britain and rightly emphasises Oxford Street's claim to be the premier shopping street in Europe as well as the "Heart of British shopping."

Harry Shepherd.
*43, South Street, W.1.*

## Always a loser

*From Mr. J Cawdry.*

Sir,—Along with friends and relatives I have been trying to win your Saturday prize crossword ever since it started. Alas, not one of us has been successful. Multiple entries and a variety of postmarks have been of no avail.

Consequently, I have done a geographical survey of all the winners in 1977. London comes out on top with 12, followed by Surrey (8). There were 19 winners from the whole of Scotland. The rest were evenly scattered, while Nottinghamshire, Cornwall, Derbyshire, etc. were barren areas.

Incidentally, excluding Christmas, there were 48 crosswords, bearing in mind that there was no Financial Times for a short period. Out of the 144 winners, 89 were men and 55 women, which only goes to show that it is still a man's world.

J. A. G. Cawdry.
*"Hillside," 11, Blackley Road, Elland, West Yorkshire.*

## Natural power

*From Mr. P. McClory.*

Sir,—In "Men and Matters" (January 6) there is a very misleading piece about the large American wind generator constructed many years ago in Vermont. Your report states that this machine was built in 1945 and "worked beautifully until one of the 80 feet long propellers came adrift." Apart from the date being inaccurate the implication that an unexpected structural fault occurred, about which nothing could be done, is just not true.

The facts are these: In 1939 the American engineer Palmer Putnam designed a 1.25 MW wind generator with two 87 feet steel blades, each weighing eight tons. This machine was commissioned at Grandpa's Knob on August 29, 1941, and began generating electricity which was fed directly into the grid of the Central Vermont Public Service Company. Because of the war, however, the designer had problems getting all the right materials and was forced to cut corners to get the generator finished before supplies were cut off completely. As a result stress cracks appeared around the rivet holes and although these were noticed very early on, Mr. Putnam could not get any more materials to replace the blades. To nobody's surprise the blade eventually disintegrated. The project was later abandoned because windpower could not then compete with cheap fossil fuels.

This situation no longer applies and we are likely to see a rapid expansion of the use of windpower, both privately and publicly over the next ten years. Using wind to generate electricity is nothing new of course, we are just rediscovering long forgotten skills. Few people know, for instance, that by 1916 Denmark had over 1,100 wind generators producing electricity.

Paul McClory.
The Natural Energy Centre,
*161, Clarence Street, Kingston-upon-Thames, Surrey.*

## Imports of footwear

*From the Chairman, Edward Adler.*

Sir,—I read Mr. Calvert's letter (December 21) with some amusement because many salient facts were omitted.

To arrive at a logical conclusion one must first ask the question why are our importers successful. The answer is because they provide a reliable service and a competitive product. It is the British Importers Confederation's policy to oppose unfair trade and dumping. Likewise the BIC is bitterly opposed to and will continue to oppose protectionism.

Many types of footwear coming from the Far East cannot be produced in either the volume or at a price comparable to that of home manufactured footwear. Barring indiscriminently certain articles which are not currently produced in the U.K., will create shortages and deny the public the right of free choice and above all be inflationary. Mr. Calvert's observations about trade markups is not correct because the same markup is applied on identical footwear, whether it be British made or of foreign origin.

The BIC has produced a very comprehensive document which states the case for importing footwear. If Mr. Calvert would care to study this, in conjunction with its own annual review on the British footwear industry, there is nothing which would indicate that this protectionism is of benefit to employment in the British footwear industry.

The system adopted in the United States has proved far more successful where the onus was put on importers to make orderly reductions by voluntary quotas. This is what should have been offered to British importers and perhaps then everybody would have been happy and the consumer benefited, which must be the ultimate aim of anyone in a retail service industry.

G. R. Adler.
*International House, 19 Colindale Avenue, N.W.9.*

## Saving fuel

*From Mr. J. Goodland.*

Sir,—Professor Thring's letter ("Fuel saving structure," January 9) is perplexing.

His third paragraph seems to suggest a general fuel tax (which he calls a tariff), but in the last paragraph he proposes a high penalty imposition only on domestic and vehicle fuels, used in excess of some kind of ration. A composite energy ration cannot be fair (even if it could be administered): every person, household, establishment or factory has its own peculiar mix of different fuels, needs and uses.

It would surely be better to tax the non-premium uses of premium fuels (and the equipment when purchased), say natural gas for space heating, and use the proceeds for both conservation, such as the useful application of waste heat from power stations, and the development of renewable sources of energy.

As our reserves of coal (so the Coal Board's chief geologist assures us) are virtually limitless, if we could only gain access to them, Professor Thring's mechanised mole would be a far better wheeze than taxing coal, rationing electricity or printing black market petrol coupons. Given enough coal (together with conservation and renewable sources of energy) we would enjoy all the solid fuel, oil, gas and electricity we could possibly need.

I find your summary (January 9) of the Conservative Political Centre's booklet on energy policy even more perplexing, and ambiguous about coal. If the future of the coal industry is really so hazy, indeed "a declining force in energy supply"—once uranium, oil and natural gas have run out—it is difficult to know which major energy source could be called clear: certainly not nuclear. Give me Thring's coal-mole any day!

J. H. Goodland.
*Down House, Pyleigh, Taunton, Somerset.*

## The cost of index-linking public sector pensions

*om Mr. A. Furse.*

Sir,—Eric Short's article anuary 10) on the P.O. pension nd deficiency is valuable for e light it throws on astromical differences that must ist between the actuarial cost index linking public sector nsions—including all past ser—and the provisions being de for this privilege by salary duction and pension funding. Blue Book 1.10 reveals that tween 1970 and 1976 the perntage rise in the number emyed in the public sector and eir emoluments could be alysed as follows:—

| | No. employed % increase (decrease) | Income from employment actual % | Income from employment adjusted % |
|---|---|---|---|
| blic corporation | (4) | 181 | 192 |
| ntral Government—HM Forces | (10) | 132 | 157 |
| Civilians | 31 | 223 | 147 |
| cal authorities | 18 | 212 | 164 |

The weighted average increase rks out at 160.7 per cent. ich appears to indicate an erall compound annual salary crease of more than 17 per nt. over the six years. We ow from Parliamentary replies at the increase in public sector nsions over the same period as more than 115 per cent.—a 13 per cent. average annual increase.

On the basis that interest rates averaged 10 per cent. over the period, the proper actuarial charge for funding pensions and the various other benefits of a non-funded scheme like that of the civil service — would be around 70 per cent. of salary and on these figures public sector real incomes therefore rose 4 per cent. and the return on investment was at best −3 per cent.

To the extent that the public sector has failed to fund their future benefits over the last six years on this scale or adjust salaries accordingly, their employees have presumably "received" a tax-free bonus of the difference, anually, for the last six years.

What is terrifying however, is to put the P.O. figures against the rest of the public sector where the end 1976 employment figures show:—

| | 000s |
|---|---|
| Public corporation | 1.951 |
| Central Govt. | |
| H.M. Forces | 0.336 |
| Civilians | 2.006 |
| Local authorities | 3.021 |
| | 7.314 |

Assuming that there were 500,000 P.O. employees and that their actuarial deficiency of £1.92bn. is representative, the total deficiency, if all public sector schemes were funded on the same inadequate manner, would be £28.086bn. What will be the figure in 1984? In fact, the civil service scheme is unfunded, and many of the nationalised industries have funds dating from pre-acquisition days so that the appropriate deficiency will be higher for the Civil Service and may well be lower for the others.

With minimum lending rate at 6-7 per cent., RPI increases still above 10 per cent. per annum and wages and salaries rising at 10 per cent. or more, the choice for the P.O. fund of a 2 per cent. rise in real incomes and a 4 per cent. real return on investment by the actuaries looks optimistic. If so, the deficiency is even greater. Is there not a case for restricting guaranteed pension increases to the figures used by the Government actuary when estimating the analogue costs of the public sector schemes? If the GA predicates 8½ per cent. interest, 7 per cent. inflation, 5 per cent. increase in RPI in suggesting (to the Expenditure Committee) a "contribution" of about 3 per cent. by civil servants for indexation — and this is the correct figure in the circumstances — pension increases should be limited to 5 per cent., and only the first 7 per cent. of salary increases should be eligible for pension unless interest rates rise abruptly. If more is wanted, should not salaries be adjusted to "pay" for it?

The rest of the public sector could be treated in the same way if the cost of contribution for increased pension was borne equally by employer and employee, but of course the private sector would have to be allowed equivalent tax concessions to enable them to keep up. With the cost of indexation becoming quantifiable, how much longer can the public sector's privileged position be justified to the electorate?

A. W. Furse.
*Nerquis, Mold, Clwyd.*

## Tax on a product

*From Mr. T. Wainwright.*

Sir,—With reference to Mr. Peter Parker's comments (Jan. 10) on his proposal to increase petrol by 13p a gallon.

As the former chairman of a well known glass company, I would like to have heard his reaction if it had been proposed, that in order to conserve natural resources, his company products would be levied with a 20 per cent. tax. His competitors would have laughed all the way to the bank.

T. A. Wainwright.
*"Pippins," 8, Hermitage Drive, Twyford, Berkshire.*

# To-day's Events

GENERAL

Government White Paper on public expenditure.

Prime Minister on visit to Pakistan.

Recalled Fire Brigades' Union conference at Bridlington considers recommendation by its executive for return to work.

National Union of Mineworkers' executive meets, London.

Talks aimed at resolving strike at Leyland's Speke, Merseyside, factory resume at London offices of Advisory, Conciliation and Arbitration Service (ACAS).

Mr. Robert Strauss, U.S. special trade representative, holds talks in Tokyo on ways to reduce Japanese trade surplus.

De-briefing meeting of London Chamber of Commerce trade mission to Philippines and Singapore, 69, Cannon Street, EC4, 11 a.m.

Lord Mayor of London and his Sheriffs attend presentation of Letters Patent to Company of Chartered Secretaries and Administrators, Mansion House, EC4.

PARLIAMENTARY BUSINESS

House of Commons: Mr. Roy Mason, Northern Ireland Secretary, makes statement on Government attitude to Irish unity, following comments made last week-end by Mr. Jack Lynch, Irish Premier. European Assembly Elections Bill, committee.

Select Committee: Expenditure (Trade and Industry sub-committee). Subject: The Fishing Industry. Witnesses: Scientists from MAFF and DAFS Laboratories; Shellfish Association of Great Britain; Shellfish Processors Association and Scottish Fisheries Federation (10.15 a.m., Room 16).

COMPANY RESULTS

English China Clays (full year). Scottish and Newcastle Breweries (half-year).

COMPANY MEETING

National and Commercial Banking, Edinburgh, 12.

SPORT

Tennis: King's Cup. Great Britain v Spain, Sheffield (6.45 p.m.). Table tennis: International championships, Brighton (9 a.m.).

# COMPANY NEWS + COMMENT

## McCorquodale soars to £3m. — confident

ALMOST TREBLED taxable profit from a depressed £1.05m. to a record £3.03m. is reported by printers and stationers McCorquodale and Co. for the year ended September 30, 1977.

Total sales expanded by £7.36m. to £52.41m. including a £3.19m. (£2.92m.) share of associates' turnover. Midway the surplus was ahead at £1.73m. (£518,000).

Mr. Alastair McCorquodale, the chairman, said that there were several areas where he was still seeking substantial improvement. The North American companies had made progress and this was continuing although at a slower rate than had been anticipated.

For the future he sees improvements in difficult areas, a continuing benefit from the investment programme and generally reasonable prospects for most of the group's activities. Overall, therefore, he has some confidence in the company's ability to enhance profitability.

Earnings per £1 share are shown up from 15.28p to 43.31p before extraordinary debits of £422,000 (credits £305,000). The net total dividend is stepped up to 14.24p (12.75p) with a final of 9.74p.

| | 1976-77 £000 | 1975-76 £000 |
|---|---|---|
| Total sales | 52,409 | 45,043 |
| Group | 49,254 | 42,126 |
| Share of associates | 3,155 | 2,917 |
| Trading profit | 3,066 | 1,318 |
| Investment income | 379 | 311 |
| Interest | 902 | 767 |
| Share assoc. profits | 459 | 197 |
| Pre-tax profit | 3,032 | 1,046 |
| Tax* | 819 | 238 |
| Net profit | 2,213 | 789 |
| Minorities | 3 | 6 |
| Extra-ord. debits | 422 | †305 |
| Available | 1,788 | 1,367 |
| Preference dividends | 4 | 6 |
| Ord. dividends | 724 | 648 |
| Retained | 1,060 | 835 |

* After investment grant. † Credit.

The company has adopted the accounting treatment of deferred tax as proposed under ED19 and comparative figures have been adjusted accordingly.

### ● comment

McCorquodale's 190 per cent. pre-tax profit jump last year was underpinned by a solid performance from the U.K. printing operations—while losses from the U.S. security printing subsidiary, Falconer, were reduced from around £1m. to around £600,000. However Falconer (bought 3½ years ago) may still show losses of around £¼m. in the current year. Group pre-tax profits, excluding the U.S. losses, rose by around 77 per cent., reflecting the benefits from the rationalisation programme in 1975-76 (costing almost £400,000) and the group's decision to concentrate its investment in specialist printing areas where demand is less likely to be affected by economic recession. Security printing (almost entirely cheques), educational and specialist book printing and packaging now form the three main profit arms while the group has been gradually reducing its investment in the more volatile area of printing contract work. Meanwhile associate earnings are up by 135 per cent. reflecting a continuing strong recovery in Brazil. The shares at 238p (up 11p) yield 9.4 on a p/e of 5.3.

### ULTRAMAR

Ultramar Company has decided to redeem the outstanding £1,698,499 7 per cent. unsecured Loan stock 1975-78 on April 30.

### SHARE STAKES

G. R. Dawes and Co.: London Trust has disposed of its holding of 430,000 Ordinary shares.

British Printing Corporation: Dawn Estates now holds 66,710 4.2 per cent. cumulative Preference shares and 85,000 4.2 per cent. (formerly 6 per cent.) "B" cumulative Preference shares.

Hoveringham Group: Company has been advised of the following changes in directors interests in Ordinary shares resulting from the partial winding up of estate of the late Mr. Harold Needler—470,000 recorded as interest of Mr. G. H. C. Needler as trustee and Mrs. H. Needler and her family, reduced by 66,000 to 404,000; 38,500 recorded as beneficial interest of Mr. G. H. C. Needler increased by 22,000 to 60,500.

Brycourt Investments: On December 30, Sahara Investments transferred its holding of 2.5m. Ordinary shares (35.71 per cent.) to its holding company, Oasis Investments.

Cambrian and General Securities: Moorside Trust has sold 70,000 Ordinary shares, reducing its interest to 150,000 shares representing less than 5 per cent. of that class.

Barget: Bunting Estates (a subsidiary of Greenbrook Securities) now has an interest in 242,000 shares (17.1 per cent.).

Wilson. Walton Engineering: Wilson Walton International sold 50,000 Ordinary shares at 70p, reducing its holding to 1,407,500 shares, 28.15 per cent.

Mills and Allen International: London Indemnity and General Insurance sold 260,000 shares on January 3. Merchandise and Investment Trust and MIT Securities are now beneficially interested in a total of 889,697 Ordinary shares (9.6 per cent.).

Northern Securities Trust: London and Manchester Assurance has acquired a further 39,933 Ordinary shares and now holds 21.30 per cent.

Brownlee: McLeod Russel purchased a further 60,000 Ordinary shares on January 3 and now holds 758,000 shares (10.69 per cent.).

John I. Jacobs: Jacobs and Partners now has a beneficial interest in 1,425,000 Ordinary shares (6.18 per cent.).

Bifurcated Engineering: Mrs. J. K. F. Warren sold 146,486 shares. Holding now below 5 per cent.

Davies and Metcalfe: Central Manufacturing and Trading Group has disposed of its entire holding of 175,000 shares (11.6 per cent.).

### HIGHLIGHTS

Lloyds Bank International profits are 34 per cent. higher with all the growth coming from Latin America. Lex also takes a look at the Stock Exchange response to the Green Paper on company reports as well as the central government's borrowing requirements. Kenning's profits are in line with the rights issue forecast but the 190 per cent. profits rise at McCorquodale took the market by surprise and the shares were pushed up 11p. ERF has turned in a strong performance with profits 41 per cent. higher and production up to peak levels, while AGB Research continues to show solid growth.

## AGB 40% higher at halfway

MARKET RESEARCH group AGB Research boosted pre-tax profit 40 per cent. from £380,176 to £532,661 in the October 31, 1977, half year on turnover 38 per cent. ahead at £4.81m.

Mr. Bernard Audley, chairman, says the picture for the remainder of the year looks good, and satisfactory progress on last year's total £1,008,879 profit is expected. Higher profits are normally produced in the second half because of seasonal factors.

Earnings per 10p share are stated at 3.49p (2.67p) as previously announced the interim dividend is down from 1.3p to 1.1p, but represents some 50 per cent. of the total permitted distribution. A 2.058p total was paid last year.

| | Half year 1977 £ | Half year 1976 £ | Year 1976-77 £ |
|---|---|---|---|
| Turnover | 4,807,322 | 3,489,371 | 7,940,438 |
| Profit bef. tax | 532,661 | 380,176 | 1,008,879 |
| Tax | 304,300 | 205,600 | 575,339 |
| Net profit | 228,361 | 174,576 | 433,040 |
| To minorities | 5,310 | 4,549 | 14,133 |
| Attributable | 222,051 | 170,027 | 418,907 |
| Dividend | 69,972 | 79,230 | 127,466 |
| Leaving | 152,079 | 90,177 | 291,441 |

### ● comment

AGB has continued its recent growth trend with first half profits up 40 per cent. on turnover ahead by more than a third reflecting fee increases of about 10 per cent. and additional volume. Most progress came from Intomart in Holland (one-fifth of sales) with new contracts obtained from Government, semi-state organisations and universities, but there were also gains in the U.K. by RSGB (from mainly motoring and commercial radio sectors) and IMR, which has increased its overseas business, especially in Germany. There is a trend for more companies to use independent research rather than develop in-house facilities, so with about a quarter of the U.K. market, AGB is well placed to prosper; there are high hopes for a new service indexing personal finance (costing £0.5m. to launch) but that is still long term. At least £1.2m. profit now seems possible for the full year which, at 84p, gives a prospective yield of 4.1 per cent. while the p/e is 9.5 fully taxed.

## Halma up £230,000 so far

ON TURNOVER ahead from £3.64m. to £4.58m. taxable profit of Halma jumped from £170,107 to £403,661 in the half year to September 30, 1977.

Full year profit is expected to be significantly higher than the record £0.56m. reported for all of 1976-77.

Profit was struck after interest of £35,715 (£30,069) and is subject to tax of £162,716 (£88,436). Extraordinary credits of £2,737 compare with extraordinary debits of £106,724 last time.

The interim dividend is doubled to 1.12p and a supplementary 0.0103p will be paid. On the assumption that dividend control will not extend beyond July 31, 1978, directors intend paying a doubled final dividend of 1.398p net per 10p share.

Earnings per share are shown at 5.1p (1.73p) and net assets per share are at 60.3p (42p).

The increase in asset backing stems from a £250,000 surplus on the revaluation of freehold properties in Leicester, a release of £330,000 of deferred tax, as well as retentions from last year of £189,000.

### ● comment

Halma's impressive growth record has continued with first half profits showing a 137 per cent. increase. The investment programme started in 1972 is now paying off handsomely, especially with many group products selling in growth markets such as industrial safety and environmental control. The company is having particular success with its Castell range of interlocks (which prevents expensive machinery being operated in the wrong sequence) and fire alarm systems; also legislation has boosted such products as weld fume extractors and greater awareness of the working environment has created a big market for acoustic covers for typewriters and telex machines. The home market has been flat for the specialised engineering division (shoe making machinery). But this has been offset by overseas demand (mainly from Indonesia and the Philippines).

## Record £1.75m. at Reo Stakis

INCLUDING A £333,000 contribution from a recently acquired subsidiary pre-tax profit of Reo Stakis Organisation rose 39 per cent. to a peak of £1.75m. in the year to October 2, 1977.

Turnover in the 52 weeks was £38.11m. against £29.1m. for the 53 weeks last time. At halfway profit was more than doubled from £222,000 to £463,000.

Directors say that on the hotel and catering side hotels continued to prosper although poor summer trading affected results in the second half. Catering contributed to profits but suffered from a decline in consumer spending. The group has recently acquired the Victoria Hotel, Nottingham, for £645,000 and has an increased commitment to upgrade existing premises.

Casino and betting turnover declined mainly because of the sale of Queen Bookmakers in May, and while casino profits were marginally lower for the year they are currently showing an improvement.

Initial trading of the wholesale wines and spirits and off licence subsidiary D. and A. Haddow confirmed the Board's confidence that this new division will be a major profit contributor, they say.

The current year has begun well with first quarter profits well ahead of last year. After spending £3m. on acquisitions in recent months from cash flow, the group continues to look for further expansion and directors predict another successful year.

The fire that destroyed the Grosvenor House, Glasgow, on January 7 is not expected to affect forecasts for the year.

A final dividend of 0.738p has been proposed and an additional 0.009p for 1975-76 will be paid. This takes the total to 1.037p per 10p share against last year's 0.921p. Earnings per 10p share are shown at 3.77p (2.67p).

| | 1977 £000 | 1976 £000 |
|---|---|---|
| Turnover | 38,108 | 29,078 |
| Hotels, catering | 21,067 | 19,142 |
| Casinos, betting | 9,449 | 9,936 |
| Wines, sprits., off licences | [illegible] | — |
| Pre-tax profit | 1,747 | 1,284 |
| Hotels | 1,079 | 950 |
| Casinos | 338 | 304 |
| Wines, etc. | †333 | — |
| Taxation | 909 | 694 |
| Net profit | 838 | 560 |
| Extraordinary debits | 67 | 37 |
| Attributable | 771 | 523 |
| Dividends | 244 | 194 |
| Retained | 527 | 329 |

† Trading results for D. and A. Haddow for six months.

### ● comment

Adjusting the 1975-76 pre-tax figure to a 52-week period the latest advance from Scottish-based hotelier and caterer Reo Stakis rises from 39 to 42 per cent. Nearly two-thirds of that gain comes from an initial contribution in the second half of £333,000 from the D. and A. Haddow off-licence chain, purchased in July. The outurn from the hotel and catering side was creditable enough during the crucial April-October summer period—pre-tax profits rose from £714,000 to £824,000—although the number of overseas visitors, particularly from Scandinavia, was well down. Jubilee Year attracted much of the tourist trade to London and the south, while wet weather dampened the U.K. holiday trade. Casinos and betting suffered a profit fall in the second half from £290,000 to £127,000, due to the sale of Queen Bookmakers in May, but reorganisation of the fixed odds activities ensured a positive contribution. With Haddow more than making good the slimming down of the book-making operations, analysts are now looking for £2.3m. in the current year. At 32p (up 1p) the shares stand on an undemanding prospective p/e of 6.6. The prospective yield is 5.5 per cent.

Mr. Alastair McCorquodale, chairman of McCorquodale and Co.

### DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corre-sponding div. | Total for year | Total last year |
|---|---|---|---|---|---|---|
| Abbey | int. | 0.81 | Feb. 27 | 0.49 | — | 1.3 |
| AGB Research | int. | 1.1 | Jan. 20 | 1.3 | — | 2.06 |
| ERF | int. | 2.48 | Feb. 10 | 1.5 | — | 3.28 |
| Halma | | 1.13§ | Feb. 20 | 0.56 | — | 1.25 |
| Hellas | int. | 0.98† | March 31 | 0.89 | — | 4.13 |
| Kenning Motor | | 2.65 | April 3 | 2.42 | 4.15 | 3.72 |
| McCorquodale | | 9.74 | Feb. 23 | 8.75 | 14.24 | 12.75 |
| M & G Dual Trust | | 6.35 | March 2 | 5.6 | 11.35 | 9.9 |
| Reo Stakis | | 0.77‡ | May 8 | 0.65 | 1.04 | 0.92 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes additional 0.009p for 1975-76. § Includes supplementary 0.0103p for last year.

## ERF profit climbs to £1.56m.

MAINLY THROUGH increased vehicle sales in the U.K., improved margins and more efficient utilisation of production facilities ERF (Holdings) more than doubled taxable earnings from £628,000 to £1.56m. for the 28 weeks to October 15, 1977.

Sales by the group, whose interests include commercial vehicles and fire engine building and plastics, jumped by 41 per cent. from £19.08m. to £26.91m. A one-for-two scrip issue is also announced.

Mr. Peter Foden, the chairman, says that the improved profits reflect a return to levels attained before the depressed years of 1974 and 1975.

Sales have remained healthy to date but he warned that industrial disputes could still have an influence on the fulltime results. Last year profit was a record £1.7m.

The net interim dividend is raised to 2.475p (1.5p) per 25p share. The final last time was 1.776923p.

Mixed performance was achieved overseas with South Africa remaining strong but Europe suffering from the continued recession in the heavy vehicle market.

Registration figures for heavy goods vehicle tractor units over 28 tons gross for the most recent three-month period show that the company has increased its U.K. market share to 15.5 per cent. (12 per cent.).

| | 28 weeks 1977 £000 | 28 weeks †1976 £000 | Year 1976-77 £000 |
|---|---|---|---|
| Sales | 24,988 | 19,679 | 38,423 |
| Trading profit | 1,649 | 739 | 1,398 |
| Interest | 84 | 82 | 179 |
| Pre-tax profit | 1,556 | 626 | 1,780 |
| Tax | 140 | 141 | 435 |
| Net profit | 1,416 | 487 | 1,285 |
| Dividends | 112 | 66 | 176 |
| Retained | 1,304 | 421 | 1,129 |

† Restated in accordance with the company's current policies for deferred taxation and currency fluctuations.

### ● comment

ERF's interim figures look impressive with sales up 41 per cent. and pre-tax profits almost 150 per cent. higher. Production is currently up to 60 vehicles a week which compares with a previous best in the last cycle of nearer 50. Average weekly production figures for the first 11 months of 1977 indicate 53 vehicles against 39 last year, a better rate of advance than Fodens 38 (33) and Atkinson unchanged at 63. ERF is making headway on the back of increased demand in the U.K. The group is aiming to win back some of its market share lost to the Europeans and Scandinavians. Registration figures for the last few months tend to indicate that ERF is having some success. Industrial troubles at some of its suppliers have caused problems but ERF is maintaining production though a slight easing in registration figures recently is disquieting. But unless there is a dramatic change in demand ERF should be getting close to £3m. profit for the full year. This indicates a p/e of 4.6 or 2.4 taking a line through the low interim tax charge. The yield is 3.8 per cent. at 146p though the company is hoping to pay out more if it can. On a full tax charge the cover is 3.7.

## NPI bonus unchanged

National Provident Institution, a leading mutual life company, is keeping its bonus rates unchanged for 1977. For life assurance policies issued in 1976 and later this is £4.25 per cent. of the sum assured and attaching bonuses. For policies issued before 1976 the scale relating to sum assured only is £6.25 per cent. for whole life contracts, £5.75 per cent. for endowments maturing at age 70 or above, £5.50 per cent. maturing at age 65, £5.25 per cent. maturing at age 60 and £5 per cent. maturing at age 50 and below.

On self-employed pension contracts the rate is maintained at £6 per cent. of the basic benefit and attaching bonuses. For contracts issued before May 1, 1971, the bonus system is changed to a compound basis, with a declared rate of £5.50 per cent. Bonus interest on the visible growth fund and capital pension plan contracts is, however, fixed at 4½ per cent. making a total addition of 10½ per cent. compared with 11 per cent. for 1976. This reduction reflects the lower interest rates available in 1977 compared with the previous year.

Terminal bonuses, payable on claims for life policies issued before 1976, remains at £2.50 per cent. of the sum assured for each policy year up to and including 1969. No terminal bonus is paid on policies issued later. The above rate also applies to the old self-employed pension plans. Vesting bonuses and interim bonuses on all policies will continue at the same rates as previously.

The company increased its bonus rates substantially at the end of 1975, when it changed from a simple to a compound bonus series. Since then it has kept bonuses at the same level.

### NEW LIFE BUSINESS

PIONEER MUTUAL INSURANCE—New business, 1977, shows ordinary branch net new sums assured £73.7m. (£35.4m.), net new annual premiums £763,000 (£435,000), single premiums £3,259,000 (£98,000). Industrial branch new sums assured £16.9m. (£9.9m.), new annual premiums £1,146,000 (£815,000). Total net new sums assured £92.6m. (£43.2m.), net new annual premiums £1,909,000 (£1,253,000), single premiums £3,229,000 (£98,000).

NATIONAL PROVIDENT INSTITUTION—Record new business sales in 1977. Annual premiums rose 14 per cent. to £13.5m. (£11.9m.) and new sums assured increased by 23 per cent. to £242.7m. (£197.0m.). Single premiums were £8.0m. (£8.9m.).

NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALASIA—In Great Britain and Ireland new assurances totalled £39.2m. (£36.6m. for 1976). New annual premiums £0.95m. (£1.4m.).

HEARTS OF OAK BENEFIT SOCIETY—For 1977 new annual premium income £972,058 (£646,220), consisting principally of £636,090 (£456,079) in respect of conventional life business and £336,008 (£202,148) in respect of property linked business. In addition, new single premium income £57,720 (£62,870).

## Kenning on target with 48% jump

WITH THE benefit of a strong second half (profits rose from £3.2m. to £4.41m.) results of the Kenning Motor Group are spot on target for the year ended September 30, 1977, the pre-tax total showing a jump of over 48 per cent. to a record £7.06m.

The results reflect a sharp increase in profits of all sections of the business. Tyre services were the major profit source followed by contract and car hire. Although motor depots increased their profits the total contribution here was about 22 per cent., leaving Leyland's share at slightly under 19 per cent.

With Leyland rationalising its franchise structure the group's share of Leyland's sales will be further reduced. Kenning has already obtained the Chrysler franchise at Colindale, London, and the Peugeot franchise at Westcliff, Essex. A number of other deals are in the offing, the directors state.

As regards the current year they report that profits for the first quarter will not differ significantly from the comparable period of 1976.

| | 1976-77 £000 | 1975-76 £000 |
|---|---|---|
| Turnover | 191,788 | 133,904 |
| Trading profit | 13,668 | 9,378 |
| Depreciation | 5,633 | 4,114 |
| Interest | 693 | 372 |
| To pension fund | 3.0 | 173 |
| Leaving | 6,871 | 4,709 |
| Share of associates | 90 | 51 |
| Profit before tax | 7,063 | 4,760 |
| Taxation | 3,815 | 2,532 |
| Net profit | 3,248 | 2,228 |
| Minorities | 12 | 12 |
| Attributable | 3,236 | 2,216 |
| Extraordinary credits | [illegible] | 86 |
| Preference divs | 33 | 55 |
| Ordinary | 949 | 792 |
| Retained | 2,248 | 1,448 |

The year's basic earnings per share are shown to be up from 10.2p to 14.4p and from 8.9p to 12.8p fully diluted. As forecast at the time of the rights issue in November the dividend is raised from 3.7162p to 4.15p net, with a final of 2.65p. The new shares do not rank for this dividend.

The directors explain that the object of the rights issue, which raised some £3.5m., is to further develop Kenning tyre se[…] expand contract hire and […]tain the car hire fleet, and d[…] some resources to new franc[…]

Pre-tax profit does not in[…] results from the Rhodesian [sub]sidiaries. For the year to […] 30, 1977 they made a pre-tax […] of $1.51m. compared with $[…]

Results of the subs[…] Kennings Estates for […] show pre-tax profits marg[…] lower at £1.41m. against £[…] This includes interest rece[…] lower at £374,000 (£438,000[…] was struck after Deb[…] interest of £274,000 (£283,00[…] amortisation £48,000 (£44,00[…] requires £754,000 (£785,000[…] £312,000 (£359,000) is re[…] A final dividend of 5 per[…] makes the total 12½ per c[…]

### ● comment

Since Kenning forecast £7m[…] tax with its £3.8m. rights[…] last month these figures ho[…] surprises. Growth from th[…] land distributorship was […] inspiring, but this side o[…] business now only accoun[…] 22 per cent. of profits. Ty[…] vices is the largest single […]ponent of the group and […] growth has been steady v[…] claimed increase in market[…] But the big boost to pr[…] up 48 per cent. on the yea[…] been the fast growing ca[…] operation. With a peak o[…] 12,000 vehicles against 8,5[…] year Kenning can claim […] the U.K. Obviously fleet siz[…] the biggest hire fleet opera[…] throughout the year but Ke[…] is certainly battling it ou[…] the top slot with groups […] Godfrey Davis. The touris[…] has been a big factor fo[…] ning's hire business so any d[…] in overseas visitors in 197[…] have some impact. But else[…] the expansion of car fran[…] could benefit car sales and m[…] charges should be lower […] to the rights issue. At 7[…] fully diluted p/e of 3.9 an[…] of 8.3 per cent. is a rating […] perhaps puts too much em[…] on the Leyland involvemen[…]

## Hollas well up midway despite Bonas setback

DESPITE THE absence of any contribution from the newly acquired Bonas Webb, profits of the Hollas Group expanded sharply from £285,737 to £455,078 in the six months ended September 30, 1977. And Mr. Tony Lawson, chairman, is confident that this momentum will be maintained in the second half.

Referring to Bonas Webb he states that while certain benefits have come from that company, its trading performance was far worse than had been anticipated. Despite changes to greatly improve the BW management no contribution can be expected until 1978-79.

Last August the chairman revealed that the BW balance sheet at March 31 1977 had sh[…] considerable shortfall of tangible assets due main[ly to] trading losses. At that ti[me he] expressed confidence tha[t] changes made at BW should [bring] about an improved position [by] the end of 1977-78.

The interim dividend is [raised] by 10 per cent. from 0.89[…] 0.983p—the total for 1976-7[7 was] 4.13p paid from profit[s of] £0.72m.

| | Half-year 1977 £ |
|---|---|
| Group turnover | 10,378,882 |
| Pre-tax profit | 455,078 |
| Taxation | 236,60[…] |
| Interim dividend | 74,775 |
| Minority | 3,185 |
| Retained | 136,412 |

### ISSUE NEWS

## London quote for Dana

A London listing has been arranged for Dana Corporation. Kleinwort Benson has arranged for the company's 33.13m. of $1 Common Stock to be quoted as from to-day.

Dana is a major corporation in the U.S. involved in engineering vehicle components. The company's major interests in the U.K. are its 69 per cent. stake in Brown Brothers Corporation and a 35 per cent. holding in Turner Manufacturing.

The group breaks down its sales into three main divisions: highway vehicles, service parts, and industrial products. In the year ended August 31, 1977 sales of the highway division were $1,156m., service parts $385m. and industrial $253m.

Over the last decade Dana's net sales have risen from $580m. to $1.8bn. Over the same period net income after tax has advanced from $30m. to $108m. and earnings per shares are up from $1.04 to $3.61.

Dividends declared for the year ended last August amounted to 97 cents per share.

In the first quarter of the current year sales totalled $[…] compared with $404m. Over [the] same period net income afte[r tax] rose to $33.1m. ($24.2m.) and [earn]ings per share increased fr[om …] cents to $1.05.

On the basis of a recent [price] in New York of $23 per sha[re the] market capitalisation of [the] Common Stock amounts to [about] $750m.

Dana is offering U.K. inv[estors] the same unique service [its] American shareholders enjoy [—this] is its Freephone service wh[ereby] investors can ring in [for a] recorded message cont[aining] monthly financial results an[d an] opportunity to ask a questio[n. The] number is Freephone 2258.

Brokers to the London l[isting] are Cazenove.

### EDINBURGH DRYDOCK

Edinburgh Drydock, part o[f] Independent Shiprepairers o[rgani]sation formed in January 19[…] executives of London Gr[aving] Dock prior to that com[pany's] acquisition by British [Ship]builders) announces an inc[rease] in its issued share capital [of a] further 80,000 Ordinary £1 s[hares] —bringing the present fully [paid] capital up to £100,000.

# Latin America side boosts LBI

...1 33.9 PER CENT. advance in ...re-tax profits from £32.2m. to ...43.12m. is reported by Lloyds ...ank International for the year to ...eptember 30, 1977.

Operations related to Latin ...merica contributed some 55 per ...ent. (40 per cent.) and those of ...urope and the U.K. some 33 per ...ent. (44 per cent.). The balance ...ame from operations related to ...her parts of the world, approxi...ately the same percentage as ...st year.

A direct comparison between ...sults for last year and those for ...is should take into account sub...antial exchange movements in ...th years, which have affected ...e sterling value of the bank's ...orking capital. Last year's ...change differences added £6.7m. ...profits whereas this year there is a reduction of £7.1m.

| | 1976-77 | 1975-76 |
|---|---|---|
| | £000 | £000 |
| ...ofit before tax | 43,123 | 32,213 |
| ...x | 24,248 | 15,059 |
| ...t profits | 18,875 | 17,154 |
| ...nority profits | 386 | 322 |
| ...traordinary credits† | 235 | *1,591 |
| ...ailable | 18,724 | 15,231 |
| ...idends | — | 3,960 |
| ...tained | 18,724 | 11,271 |

...Debits. †Made up of net profit on ...s of certain subsidiary and associated ...mpanies £482,000 (£527,000 loss), net ...change and valuation deficits on fixed ...ets £237,000 (nil) and expenses related ...he issue of loan capital nil (£1,054,000).

The main reason for an appar... increase in the tax charge ...m 47 per cent. to 56 per cent. ...s that exchange profits last ...r and losses this year on the ...rking capital of overseas sub...iary companies were included ...the profit before tax. Without ...se amounts, which are not ...uctible or chargeable for tax ...poses, the charge in 1977 ...ld have differed from that in ...6 by less than 1 per cent.

...o dividend is recommended ...the whole net profit will be ...ained and used in the ...ansion of LBI.

See Lex

## BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's time-table.

TO-DAY

Interims—Jones Stroud, Raybeck, Scottish and Newcastle Breweries, Stroud Riley Drummond, Symonds Engineering.

Finals—Bakers Household Stores (Leeds), Bett Bros., Capital and County Laundries, Caplan Profile, English China Clays, Rickson and Welch, M. and G. Group, Midland Industries, J. F. Nash Securities.

FUTURE DATES

| | |
|---|---|
| Interims— | |
| Brown (John) | Jan. 27 |
| Courts (Furnishers) | Jan. 17 |
| Davy International | Jan. 24 |
| Denbyware | Jan. 26 |
| Dixons Photographic | Jan. 18 |
| M.I.M. Holdings | Jan. 24 |
| Midland Trust | Jan. 26 |
| Moran (Christopher) | †Jan. 12 |
| Priest (Benjamin) | Feb. 8 |
| Property Security Invest. Trust | Jan. 17 |
| Provincial Cities Trust | Jan. 19 |
| Steinberg | Feb. 2 |
| Sterling Credit | Jan. 30 |
| Finals— | |
| Abbey Panels | Jan. 18 |
| Blundell-Permoglaze | Jan. 25 |
| Braid Group | Jan. 18 |
| Spencer Clark Metal Industries | Jan. 16 |
| Whatlings | Jan. 19 |

† Amended.

# FT and Extel to form new company

The Financial Times and the Exchange Telegraph Company (Holdings) will establish shortly a joint venture company to provide business information services by electronic transmission to U.K. and international markets.

It will be known as Fintel, and will be owned 55 per cent. by the FT and 45 per cent. by Extel, with equal responsibility for management.

The chairman will be Mr. Justin Dukes, joint managing director of the FT, the deputy chairman will be Mr. Alan Brooker, Extel Group managing director, and the other directors will be Mr. Alan Hare, FT chairman, and Mr. Michael Dineen, a director of Extel.

The new company's first activity to the Post Office Viewdata service, which is launching a market trial in June. Subsequently, it is intended to introduce a range of specialist information services to meet the varied demands of U.K. and international subscribers, receiving the information on visual display units and/or printers.

New services will be developed primarily from the existing activities and data bases of the FT and Extel as a supplement rather than substitute for those activities.

## REABROOK TRUST

Revenue, before tax, of Reabrook Investment Trust expanded from £11,578 to £44,643 in the six months ended November 30, 1977. Due to a typographical error the latter figure was given as £843 in yesterday's report.

# ...Revenue ahead ...at Investors ...Capital

...ross revenue of Investors ...ital Trust for the year to ...ember 30, 1977, advanced ...n £2.62m. to £3.27m. and net ...nue available to holders ...roved from £0.77m. to £1.12m.

...net final dividend of 1.05p ...s the total payment from 1.2p ...65p, on earnings per 25p share ...wn to be ahead from 1.24p to ...3.

...November 30 the net assets ...e per share was 95.4p (83.3p).



# Fenner maintains uptrend

MR. JOSEPH PALMER, chairman of J. H. Fenner and Co. (Holdings) told the annual general meeting that performance of the U.K. companies in the early month of the current year had continued the trend of the latter part of the previous year, and their aggregate turnover and profit for the first quarter were ahead of last year.

The order book remained good in all sectors of U.K. business.

Export business for the first three months had been substantially increased but margins remain depressed due to highly competitive trading conditions in all overseas markets along with the recent strengthening of sterling, the chairman reported.

Overseas, the Indian and South African companies had failed to match their previous year's profits in the first quarter in very dull trading conditions, which were expected to improve in the coming months. The performances elsewhere had been much in line with expectations said Mr. Palmer.

# Tubes to redeem Swiss loan early

Taking the view that the Swiss Franc is likely to remain stronger than the pound sterling Tube Investments, the U.K engineering group, has decided to redeem its Sw.Frs.60m. 6¾ per cent. loan 1971-1986 in April.

The Swiss loan will be refinanced with a multi-currency borrowing, including a smaller quantity of Swiss Franc revolving credit and some Canadian dollars. A significant part of the Swiss borrowing in 1971 was earmarked for capital spending in Canada chiefly to increase Tube's 50 per cent. holding in Standard Tube Canada to 100 per cent.

A spokesman said that the Swiss borrowing had been expensive for Tubes and felt that the early redemeption "might save us some money in the future."

# M. & G. Dual improves

For 1977, revenue of M. and G. Dual Trust shows an improvement from £875,807 to £992,086, subject to tax of £387,370 compared with £306,603.

The net final dividend is 6.35p raising the total payment from 9.9p to 11.35p.

At December 31, 1977 the asset value per 10p Capital share was 283.48p against 176.56p on that date a year earlier.

# Abbey near £1m. at halftime

WITH TURNOVER £4.16m. higher at £14.99m., pre-tax profit of Irish industrial group Abbey almost doubled from £472,000 to £924,000 in the six months to October 31, 1977.

The result is after interest of £567,000 (£654,000), and is subject to tax of £325,000 (£236,000).

Directors are confident that the group will sustain the progress in the months to come. Profit last year was £1m.

They say the Board reviewed the valuation of development land owned by the group at October 31 and is satisfied that no provisions against book value are necessary.

The interim dividend is up from 0.4875p net per 25p share to 0.8125p and will absorb £190,734 (£114,441).

# F. W. Evans very optimistic as orders boom

The directors at plastic moulding manufacturers Frederick W. Evans, look to the future with great confidence. The order intake over the last six months has been a record with the volume currently in hand up 25 per cent. on the same period last year, Mr. R. W. Evans, the chairman tells members.

Because of the large spread over industry of its 1,300 customers the rise and fall in market conditions is tempered allowing the company to make solid steady progress he says.

The current year's performance will benefit from investment in new automatic machines and new cooling systems have been constructed for the injection shops and the DMC compression shop will allow considerable expansion in both departments. As in the past all this expenditure is being financed out of earnings.

As reported on December 7, for the year to September 30, 1977, taxable profit advanced to £320,402 (£196,279) on turnover of £1.56m. (£1.21m.). The net dividend is lifted to 0.533p per 10p share compared with an equivalent 0.51714p.

At year end net liquid funds were up £28,632 (£71,599) with bank balances and cash was lower at £34,616 (£115,984).

During the year plant worked at about 80 per cent. capacity and there was an added advantage of greater efficiency and productivity from new plant.

# Saturn opens in Scotland

Saturn Management, the lease constultancy arm of M. W. Marshall Investments Group, has opened an office in Glasgow.

The new office will service Saturn's clients in Scotland and the North of England and will specialise both in equipment lease consultancy for the public sector and money management.

Saturn's Glasgow office is the first branch to be opened by a major leasing intermediary and underlines the growth potential of the equipment leasing market.



## A FINANCIAL TIMES SURVEY

# EUROMARKETS

**The Financial Times is planning to publish a survey on Euromarkets on MONDAY, 6th FEBRUARY, 1978**
**The provisional synopsis is set out below.**

**Introduction.**
1977 was the third successive good year for the Euromarkets. A record amount of new funds was raised on both the Eurobond and Eurocredit Markets. Flush with funds and faced with stagnant domestic loan demand, banks continued to expand their international lending rapidly, pushing down margins to levels not seen since early 1974, and extending maturities. Towards the end of 1977 there was a sharp fall in Eurobond activity, as a result of currency uncertainties and higher U.S. interest rates. In the Eurocredit sector, however, there was no let-up and some bankers were becoming worried that the international banking system might be over-extending itself.

**International Liquidity.**
The origins and extent of the rise in international liquidity in 1977 were the subject of a fierce debate.

**Currencies and Interest Rates.**
The sharp fall in the dollar, combined with the increase in U.S. interest rates were, along with the rise in international liquidity, the most important elements in the international capital market activity of 1977.

**Central Bank Supervision.**
The thrust of official policy continues to be towards increasing the information available on the market. However, the authorities took further steps to increase control of U.S. banks' international lending in 1977. In the U.K. the main development was a challenge to the Bank of England's technique of controlling the London money markets, as a result of the complaint to the European Commission by the money brokers Sarabex. In Switzerland further steps were taken following the Chiasso affair.

**Medium Term Lending.**
New loans in record volume were extended in 1977. However, the pattern of lending shifted markedly away from the less developed countries and towards the small European countries. The squeeze on margins caused some banks to slow down their rate of lending, but there were still a sufficient number involved to ensure that rates continued to be cut. By the end of 1977 maturities had lengthened to ten years, and the spread for prime borrowers was down to ⅝ per cent. Both of these were still more favourable to the banks than the conditions that had ruled in 1973. However, with a number of past borrowers facing problems in repaying their loans, the volume of new lending was undoubtedly causing some concern.

**The International Bond Markets.**
While activity in the Eurobond Market reached new records last year, the amount raised on the international bond markets as a whole was somewhat lower than in 1976, as a result of the fall in foreign bond issues, particularly in New York and Switzerland. In the last quarter of the year, Eurodollar bond activity was running at low levels, but D-Mark issues continued apace. The year saw the first Euro-Yen issues and the development of a fledgling Eurosterling bond market.

**Export Credit.**
This large sector of the international financial markets became the arena for international competition in 1977, as Governments sought to expand foreign demand for their goods in order to provide some compensation for low domestic demand.

**Legal Issues.**
The suits launched against European American Bank and the suits concerning Nigerian cement contracts, were among developments which have focused Euromarket attention on legal issues recently. Jurisdiction other than English law has increasingly been used for loan agreements, notably U.S. law and, in the case of Comecon international bank loans, German law. However, this may change if the State Immunity Bill currently passing through the British Parliament becomes law.

**International Debt.**
There was a considerable improvement in 1977 in the volume of information available on individual countries' foreign debt and debt servicing capacity. The position varies considerably from country to country.

**Sectors of the Market.**
- U.S. Banks
- German Banks
- Japanese Banks
- Euro DM Bonds
- Swiss Bond Market
- Yankee Bond Market
- Eurosterling Bond Market
- International use of the Yen.

*For further details concerning this Survey, contact Robert Piper*
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**FINANCIAL TIMES**
**EUROPE'S BUSINESS NEWSPAPER**

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

## MONEY MARKET

# Large assistance

**Bank of England Minimum Lending Rate 6½ per cent. (since January 6, 1978)**

Day-to-day credit was in short supply in the London money market again yesterday, but the scale of assistance given by the authorities was rather less than on previous days. The total amount of help was large, taking the form of moderate purchases of Treasury bills and a small number local authority bills from the discount houses. The Bank of England also lent a small amount overnight to two or three houses at Minimum Lending Rate of 6½ per cent.

Banks carried forward surplus balances, Government disbursements exceeded revenue payments to the Exchequer, and the market was also helped by a fairly large fall in the note circulation. On the other hand there was a slight net take-up of Treasury bills, and further funds from the call on 10½ per cent. Treasury 1999.

The market was also faced with maturing local authority bills held by the authorities, and repayment of the money lent to the market overnight and for seven days.

Discount houses paid around 6½ per cent. for secured call loans in the early part, and closing balances were found at 5-6 per cent.

In the interbank market overnight loans opened at 6½-6¾ per cent., and increased to 6½-6¾ per cent., before easing to 4-5 per cent., but rising to 6-7 per cent. in very late trading, and then closing at 5 per cent.

Rates in the table below are nominal in some cases.

| Jan. 11 1978 | Sterling Certificate of deposits | Interbank | Local Authority deposits | Local Auth negotiable bonds | Finance House Deposits | Company Deposits | Discount market deposit | Treasury Bills ◆ | Eligible Bank Bills ◆ | Fine Trade Bills ◆ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 4-7 | — | — | — | 7 | 5-6½ | — | — | — |
| 2 days notice | — | — | 6⅜ | — | — | [illegible] | — | — | — | — |
| 7 days or 7 days notice | — | 6½-6¾ | 6⅜-6½ | — | 6½-6⅞ | — | 6¼-6½ | — | — | — |
| One month | 6½-6⅜ | 6⅜-6½ | 6¼-6⅜ | 7-6⅝ | 6½-6¾ | 6⅞ | 6¼ | 5[illegible]-5[illegible] | 6⅜-6[illegible] | 6½-6⅞ |
| Two months | 6⅝-6¼ | 6¼-6[illegible] | — | 6½-6 | 6⅜-6⅝ | — | 6-6⅛ | 5[illegible]-5⅞ | 6[illegible]-6[illegible] | 6½ |
| Three months | 6[illegible]-6⅛ | 6⅛-6[illegible] | 6½ | 6½-6 | 6⅜-6½ | 6⅝ | 6 | 5⅞-5[illegible] | 6[illegible] | 6⅝ |
| Six months | 6⅜-6¼ | 6¼-6½ | 6¼-6½ | 6½-5⅞ | 6⅝-6⅞ | — | — | — | 6[illegible]-6[illegible] | 6⅝ |
| Nine months | 6[illegible]-6[illegible] | 6½-6⅞ | — | 6¾-6½ | 6⅞ | — | — | — | — | — |
| One year | 6[illegible]-6[illegible] | 6[illegible]-7[illegible] | 6¼-6⅛ | 6⅞-6½ | 7⅛ | — | — | — | — | — |
| Two years | — | — | 7⅛ | — | — | — | — | — | — | — |

Local authorities and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rates nominally three years 8½-9 per cent.; four years 9½-10 per cent.; five years 10¼-10½ per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 6[illegible]-6[illegible] per cent.; four-month trade bills 6¾ per cent.

Approximate selling rate for one-month Treasury bills 5[illegible]-5[illegible] per cent.; two-month 5[illegible]-5[illegible] per cent.; and three-month 5[illegible]-5[illegible] per cent. Approximate selling rate for one-month bank bills 6[illegible]-6[illegible] per cent.; two-month 6[illegible]-6[illegible] per cent.; and three-month 5[illegible]-5[illegible] per cent. One-month trade bill 6¾-6½ per cent.; two-month 6¾ per cent.; and also three-month 6¾ per cent.

Finance House Base Rates (published by the Finance Houses Association) 8½ per cent. from January 1, 1978. Clearing Bank Deposit Rates for small sums at seven days' notice 3 per cent. Clearing Bank Rates for lending 6½ per cent. Treasury Bills: Average tender rates of discount 5.5528 per cent.

NOTICE OF REDEMPTION

To the Holders of

## Honeywell International Finance Company S.A.

### 6% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1966 providing for the above Debentures, $534,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on February 15, 1978, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

DEBENTURES OF U.S. $1,000 EACH

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| M-63 | 1137 | 2501 | 3488 | 4374 | 5009 | 5947 | 7160 | 7841 | 8786 | 9803 | 10567 | 11170 | 11822 | 12357 | 13359 | 14366 |
| 95 | 1138 | 2522 | 3574 | 4394 | 5014 | 5966 | 7174 | 7881 | 8806 | 9804 | 10609 | 11176 | 11862 | 12363 | 13375 | 14372 |
| 108 | 1482 | 2583 | 3625 | 4412 | 5017 | 6024 | 7204 | 7903 | 8935 | 9811 | 10625 | 11187 | 11865 | 12386 | 13380 | 14380 |
| 219 | 1534 | 2628 | 3662 | 4432 | 5060 | 6031 | 7249 | 7909 | 8940 | 9828 | 10634 | 11191 | 11914 | 12404 | 13421 | 14381 |
| 220 | 1546 | 2746 | 3671 | 4429 | 5073 | 6048 | 7310 | 7965 | 8949 | 9836 | 10643 | 11196 | 11935 | 12406 | 13510 | 14492 |
| 266 | 1703 | 2748 | 3683 | 4430 | 5140 | 6049 | 7313 | 8019 | 8963 | 9852 | 10645 | 11216 | 11939 | 12458 | 13530 | 14502 |
| 284 | 1741 | 2754 | 3768 | 4439 | 5163 | 6079 | 7332 | 8033 | 8964 | 9885 | 10845 | 11218 | 11940 | 12511 | 13541 | 14519 |
| 286 | 1745 | 2756 | 3769 | 4478 | 5168 | 6111 | 7355 | 8034 | 8957 | 9929 | 10851 | 11227 | 11965 | 12523 | 13547 | 14529 |
| 306 | 1756 | 2856 | 3772 | 4494 | 5176 | 6156 | 7357 | 8067 | 8971 | 9942 | 10854 | 11229 | 11990 | 12524 | 13553 | 14542 |
| 307 | 1781 | 2875 | 3777 | 4524 | 5209 | 6268 | 7377 | 8070 | 8974 | 9960 | 10856 | 11234 | 12001 | 12527 | 13576 | 14630 |
| 329 | 1833 | 2891 | 3782 | 4530 | 5318 | 6309 | 7382 | 8073 | 8978 | 9974 | 10871 | 11253 | 12008 | 12571 | 13668 | 14632 |
| 330 | 1839 | 2897 | 3894 | 4551 | 5325 | 6329 | 7394 | 8074 | 9026 | 9980 | 10902 | 11267 | 12020 | 12598 | 13682 | 14633 |
| 339 | 1899 | 2918 | 3912 | 4561 | 5339 | 6404 | 7420 | 8152 | 9031 | 10036 | 10908 | 11272 | 12029 | 12599 | 13690 | 14639 |
| 422 | 1900 | 2925 | 3938 | 4584 | 5343 | 6410 | 7421 | 8189 | 9146 | 10049 | 10923 | 11282 | 12041 | 12640 | 13725 | 14640 |
| 423 | 1941 | 2930 | 3968 | 4618 | 5415 | 6422 | 7440 | 8206 | 9180 | 10053 | 10985 | 11294 | 12073 | 12703 | 13748 | 14843 |
| 438 | 2031 | 2395 | 3976 | 4633 | 5430 | 6463 | 7485 | 8341 | 9185 | 10072 | 10990 | 11417 | 12099 | 12710 | 13765 | 14844 |
| 446 | 2039 | 3119 | 3979 | 4634 | 5452 | 6533 | 7808 | 8342 | 9285 | 10079 | 11008 | 11430 | 12141 | 12716 | 13772 | 14848 |
| 451 | 2160 | 3161 | 4078 | 4656 | 5464 | 6550 | 7539 | 8414 | 9291 | 10089 | 11016 | 11436 | 12163 | 12767 | 13773 | 14918 |
| 543 | 2162 | 3176 | 4105 | 4701 | 5472 | 6644 | 7556 | 8416 | 9293 | 10156 | 11018 | 11440 | 12173 | 12768 | 13778 | 14925 |
| 648 | 2169 | 3192 | 4106 | 4711 | 5485 | 6649 | 7588 | 8507 | 9345 | 10232 | 11036 | 11444 | 12192 | 12788 | 13815 | 15017 |
| 682 | 2229 | 3241 | 4130 | 4718 | 5502 | 6650 | 7628 | 8522 | 9445 | 10233 | 11041 | 11460 | 12193 | 12812 | 13817 | 15031 |
| 688 | 2233 | 3246 | 4165 | 4724 | 5518 | 6723 | 7653 | 8533 | 9448 | 10236 | 11052 | 11549 | 12205 | 12817 | 13850 | 15044 |
| 712 | 2246 | 3304 | 4201 | 4746 | 5588 | 6779 | 7654 | 8540 | 9510 | 10283 | 11073 | 11557 | 12218 | 12863 | 13853 | |
| 717 | 2266 | 3317 | 4224 | 4778 | 5595 | 6780 | 7660 | 8571 | 9523 | 10301 | 11075 | 11669 | 12257 | 12869 | 13878 | |
| 779 | 2279 | 3341 | 4246 | 4795 | 5597 | 6782 | 7666 | 8581 | 9580 | 10338 | 11108 | 11677 | 12277 | 12915 | 13888 | |
| 818 | 2314 | 3380 | 4263 | 4856 | 5599 | 6989 | 7667 | 8598 | 9657 | 10437 | 11114 | 11678 | 12279 | 12917 | 13901 | |
| 819 | 2334 | 3385 | 4277 | 4904 | 5609 | 7010 | 7671 | 8604 | 9681 | 10440 | 11134 | 11707 | 12286 | 12947 | 13979 | |
| 838 | 2376 | 3387 | 4293 | 4938 | 5780 | 7051 | 7701 | 8644 | 9702 | 10459 | 11139 | 11735 | 12295 | 12955 | 13991 | |
| 856 | 2448 | 3359 | 4285 | 4933 | 5858 | 7071 | 7727 | 8707 | 9707 | 10499 | 11146 | 11738 | 12297 | 13073 | 14081 | |
| 929 | 2450 | 3399 | 4322 | 4946 | 5882 | 7076 | 7731 | 8728 | 9724 | 10543 | 11152 | 11768 | 12300 | 13092 | 14082 | |
| 1046 | 2466 | 3472 | 4343 | 4980 | 5903 | 7077 | 7787 | 8739 | 9738 | 10547 | 11157 | 11770 | 12341 | 13273 | 14092 | |
| 1124 | 2478 | 3478 | 4387 | 4984 | 5931 | 7134 | 7803 | 8787 | 9744 | 10656 | 11161 | 11797 | 12344 | 13276 | 14104 | |

On February 15, 1978 the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the **corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015,** or (b) at the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt; Amsterdam-Rotterdam Bank N.V. in Amsterdam; Banca Commerciale Italiana in Milan; or Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due February 15, 1978 should be detached from the Debentures and presented for payment in the usual manner.

On and after February 15, 1978 interest shall cease to accrue on the Debentures selected for redemption.

HONEYWELL INTERNATIONAL FINANCE COMPANY S.A.
*By:* MORGAN GUARANTY TRUST COMPANY OF NEW YORK, *Trustee*

Dated: January 12, 1978

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. $1,000 EACH

3793 3964 3968 4116 5275 7265 7438 7492 7504 7517 10603 12836

*Notice of Redemption*

## Mobil International Finance Corporation

**U.S. $35,000,000. 7% Guaranteed Bonds 1986**

NOTICE IS HEREBY GIVEN that pursuant to Condition 2 of the Bonds, $620,000. aggregate principal amount of such Bonds of the following distinctive numbers has been selected for redemption on February 15, 1978 at the redemption price of 100% of the principal amount thereof:

$1,000 COUPON BONDS

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| M 78 | 2703 | 5381 | 7821 | 9943 | 11556 | 13269 | 14524 | 16406 | 18459 | 20417 | 23081 | 24999 | 27249 | 30013 | 31967 | 33560 |
| 92 | 2704 | 5384 | 7889 | 10032 | 11700 | 13273 | 14585 | 16420 | 18575 | 20437 | 23104 | 25040 | 27295 | 30069 | 32022 | 33568 |
| 129 | 2710 | 5385 | 8175 | 10057 | 11701 | 13391 | 14650 | 16429 | 18672 | 20497 | 23209 | 25109 | 27386 | 30116 | 32103 | 33625 |
| 148 | 2997 | 5444 | 8177 | 10115 | 11825 | 13398 | 14792 | 16489 | 18690 | 20641 | 23284 | 25180 | 27431 | 30167 | 32131 | 33633 |
| 179 | 2999 | 5447 | 8179 | 10135 | 11834 | 13408 | 14803 | 16501 | 18781 | 20659 | 23307 | 25209 | 27522 | 30220 | 32180 | 33688 |
| 278 | 3000 | 5544 | 8287 | 10136 | 11839 | 13513 | 14813 | 16516 | 18798 | 20796 | 23381 | 25246 | 27564 | 30267 | 32209 | 33696 |
| 281 | 3159 | 5582 | 8288 | 10186 | 11949 | 13523 | 14955 | 16568 | 18890 | 20812 | 23411 | 25274 | 27654 | 30319 | 32297 | 33753 |
| 307 | 3161 | 5585 | 8290 | 10203 | 11960 | 13532 | 14964 | 16582 | 18902 | 20946 | 23479 | 25310 | 27694 | 30369 | 32386 | 33757 |
| 400 | 3162 | 5649 | 8380 | 10249 | 11964 | 13628 | 15103 | 16596 | 18992 | 20968 | 23509 | 25341 | 27783 | 30416 | 32361 | 33821 |
| 414 | 3256 | 5866 | 8461 | 10267 | 12079 | 13643 | 15358 | 16663 | 19002 | 21095 | 23579 | 25372 | 27825 | 30466 | 32417 | 33884 |
| 490 | 3257 | 5881 | 8462 | 10272 | 12172 | 13648 | 15370 | 16672 | 19090 | 21117 | 23604 | 25409 | 27909 | 30511 | 32438 | 33887 |
| 521 | 3461 | 5883 | 8466 | 10405 | 12185 | 13753 | 15376 | 16737 | 19103 | 21244 | 23673 | 25436 | 27957 | 30561 | 32517 | 33946 |
| 539 | 3464 | 6388 | 8532 | 10427 | 12186 | 13756 | 15483 | 16744 | 19184 | 21261 | 23696 | 25473 | 28036 | 30608 | 32568 | 33949 |
| 721 | 3577 | 6395 | 8533 | 10567 | 12276 | 13847 | 15494 | 16807 | 19203 | 21386 | 23852 | 25502 | 28084 | 30654 | 32591 | 34068 |
| 763 | 3695 | 6450 | 8534 | 10568 | 12285 | 13856 | 15506 | 16817 | 19278 | 21401 | 23884 | 25533 | 28165 | 30707 | 32641 | 34069 |
| 833 | 3821 | 6455 | 8592 | 10682 | 12286 | 13861 | 15602 | 16874 | 19295 | 21523 | 23942 | 25563 | 28208 | 30749 | 32664 | 34129 |
| 884 | 3823 | 6598 | 8691 | 10695 | 12383 | 13945 | 15615 | 16890 | 19373 | 21841 | 23973 | 25593 | 28288 | 30801 | 32716 | 34134 |
| 956 | 3825 | 6599 | 8695 | 10696 | 12455 | 13953 | 15626 | 16941 | 19385 | 21680 | 24033 | 25622 | 28329 | 30846 | 32735 | 34193 |
| 987 | 3956 | 6600 | 8829 | 10799 | 12464 | 13963 | 15715 | 16956 | 19461 | 21789 | 24059 | 25655 | 28452 | 30893 | 32793 | 34294 |
| 991 | 3958 | 6709 | 8832 | 10810 | 12470 | 14047 | 15734 | 17009 | 19471 | 21813 | 24143 | 25779 | 28527 | 30938 | 32808 | 34352 |
| 1056 | 4099 | 6710 | 8870 | 10817 | 12534 | 14056 | 15740 | 17019 | 19546 | 21922 | 24202 | 25819 | 28647 | 30983 | 32866 | 34452 |
| 1076 | 4103 | 6792 | 8950 | 10905 | 12611 | 14123 | 15844 | 17071 | 19558 | 21942 | 24228 | 25937 | 28695 | 31028 | 32884 | 34509 |
| 1099 | 4254 | 6793 | 9052 | 10918 | 12624 | 14139 | 15936 | 17079 | 19637 | 22049 | 24283 | 25976 | 28811 | 31075 | 32937 | 34608 |
| 1196 | 4319 | 6798 | 9054 | 10923 | 12696 | 14143 | 15949 | 17229 | 19646 | 22067 | 24315 | 26095 | 28884 | 31169 | 32955 | 34663 |
| 1219 | 4320 | 6859 | 9086 | 11001 | 12751 | 14208 | 15956 | 17240 | 19727 | 22172 | 24365 | 26130 | 28925 | 31206 | 33006 | 34765 |
| 1236 | 4507 | 6863 | 9143 | 11019 | 12758 | 14223 | 16037 | 17381 | 19792 | 22192 | 24396 | 26247 | 29040 | 31258 | 33078 | 34819 |
| 1414 | 4509 | 7130 | 9172 | 11091 | 12766 | 14225 | 16049 | 17531 | 19805 | 22411 | 24449 | 26280 | 29108 | 31298 | 33092 | 34934 |
| 1486 | 4637 | 7132 | 9220 | 11177 | 12812 | 14301 | 16062 | 17547 | 19869 | 22437 | 24475 | 26396 | 29157 | 31349 | 33152 | 34977 |
| 1530 | 4638 | 7133 | 9226 | 11188 | 12821 | 14306 | 16133 | 17678 | 19880 | 22531 | 24527 | 26431 | 29334 | 31385 | 33162 | |
| 1602 | 4664 | 7300 | 9291 | 11189 | 12828 | 14366 | 16147 | 17690 | 19956 | 22563 | 24552 | 26583 | 29443 | 31430 | 33221 | |
| 1672 | 5052 | 7361 | 9295 | 11252 | 12968 | 14375 | 16160 | 17950 | 20159 | 22645 | 24630 | 26638 | 29485 | 31470 | 33289 | |
| 1701 | 5054 | 7362 | 9310 | 11261 | 12983 | 14385 | 16225 | 17962 | 20173 | 22665 | 24677 | 26835 | 29549 | 31638 | 33355 | |
| 1743 | 5057 | 7366 | 9450 | 11267 | 12985 | 14437 | 16245 | 18078 | 20236 | 22756 | 24785 | 26872 | 29653 | 31725 | 33368 | |
| 1858 | 5136 | 7634 | 9737 | 11397 | 13117 | 14448 | 16253 | 18096 | 20291 | 22778 | 24830 | 26976 | 29704 | 31773 | 33423 | |
| 2567 | 5139 | 7636 | 9769 | 11398 | 13131 | 14457 | 16316 | 18208 | 20306 | 22864 | 24857 | 27012 | 29759 | 31854 | 33432 | |
| 2574 | 5140 | 7816 | 9873 | 11540 | 13132 | 14503 | 16335 | 18222 | 20353 | 22892 | 24902 | 27114 | 29809 | 31888 | 33494 | |
| 2578 | 5286 | 7819 | 9877 | 11553 | 13260 | 14520 | 16341 | 18343 | 20374 | 23000 | 24927 | 27153 | 29969 | 31937 | 33499 | |

The Bonds specified above are to be redeemed (a) at **Citibank, N.A., WCG Bond Services, 111 Wall Street, New York, NY 10015** or (b) subject to any applicable laws or regulations, at the main offices of Citibank, N.A., in London, Frankfurt/Main, or Milan, at Citibank (Belgium) S.A. in Brussels, or at the main offices of S. G. Warburg & Co. Limited in London, Deutsche Bank A.G. in Frankfurt or Kredietbank S.A. Luxembourgeoise in Luxembourg. Upon presentation and surrender of said Bonds, together with all unmatured coupons appertaining thereto, payment will be made on February 15, 1978. At the offices referred to in (b) payment will be by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a New York City bank. On and after the redemption date, interest on the selected Bonds will cease to accrue. The amount of any missing unmatured coupons will be deducted from the sum due. Coupons maturing February 15, 1978, however, should be detached and presented for payment in the usual manner.

MOBIL INTERNATIONAL FINANCE CORPORATION
By: CITIBANK, N.A., Principal Paying Agent

January 12, 1978

## BIDS AND DEALS

# EIS £1.4m. purchase from Weir Group

Electrical and Industrial Securities has bought C. F. Taylor (Holdings) from Weir Group for £1.4m. cash.

Of this £1m. is payable on completion, and the balance in eight equal instalments spread over two years. An additional consideration, which is limited to £500,000, is payable on the basis of £2.50 for each additional £1 by which average pre-tax profits and interest of Taylor exceed £500,000 annually for each of the years 1978 and 1979. Net book value of the assets being acquired by EIS is approximately £1.75m.

EIS will continue the policy initiated by Weir during 1977 of concentrating the activity of Taylor on the manufacture and sale of aircraft galley equipment, the sub-contract manufacture of air frame parts, the manufacture and distribution of filters, valves and pumps and production of metal and plastic bonded panels.

### ALBERT MARTIN EXPANSION

Albert Martin Holdings announces that its sub. Albert Martin and Co. has completed the purchase of an 18,00 sq. ft. factory in Barnsley. The factory, which will ultimately employ some 180 people, has been acquired together with machinery and fixtures for the sum of £149,000 payable cash.

This additional production capacity will be used to manufacture blouses and leisurewear for the group's major customer, Marks and Spencer.

### RANK ORGNSN.

Rank Organisation has bought for £1.25m. the French assets of Beaver Fleet, which consist of 86 purpose-built self-drive cabin cruisers. The company is the leading operator on the Canal du Midi.

The French operation, which has been bought from Mr. Tom Watson, will now be run by Richardsons (Pleasure Craft), which is managed by Butlin's, a Rank Organisation subsidiary.

The move will establish Butlin's as a major cruiser operator in France and follows the recent launch of its FreshFields camping and caravanning holidays.

### CARLESS CAPEL

Carless, Capel and Leonard has allowed its bid for S. A. Richardson to lapse after receiving acceptances in respect of 29,109 shares.

In the opinion of the directors of Carless, no information about Richardson has been released since the offer was made which would cause them to alter their view of the fairness of the £333,000 offered.

### APG ACCEPTS

The offer by BTR for Allied Polymer has been declared wholly unconditional. It remains open.

Acceptances have been received in respect of 16,373,404 Allied Polymer shares. BTR, therefore, owns or has acceptances for a total of 16,455,404 (87.1 per cent.).

Mr. Peter Fatharly and Mr. G. A. Lemon have been appointed to the Board of BTR. Mr. Fatharly, chairman of Allied Polymer, has also been appointed a deputy managing director of BTR.

### MIDHURST WHITE

Midhurst White Holdings has sold its interest in Midhurst Whites, its brick-making subsidiary, to Bardsey Investments for £314,000 cash.

The audited net assets of Midhurst Whites as at March 31, 1977, were £297,000 and the trading profit before tax amounted to £20,000. Following this sale, proceeds will be used to reduce Midhurst White Holdings' borrowings.

Further details of this disposal will be circulated to the shareholders with the half year results by the end of the month.

### FED. CHEMICALS

The terms of Dalgety's £10.3m. bid for Federated Chemical Holdings have been agreed and will be recommended by the Federated Board.

Agreement has also been reached on arrangements to sell Federated's 12.82 per cent. stake in Tioxide Group.

Irrevocable undertakings to accept the offer of 33 Dalgety Ordinary for every 100 Federated have been given for 22.9 per cent. of the Federated capital.

Documents containing the formal offer will be sent to Federated shareholders as soon as possible.

### NO PROBES

Mr. Roy Hattersley, Secretary of State for Prices and Consumer Protection, has decided not to refer the following proposed mergers to the Monopolies and Mergers Commission: Harrisons and Crosfield and Malayalam Plantations; Harrisons and Crosfield and Harcross Investment Trust; BTR and Allied Polymer Group; Ladbroke Group and Leisure and General Holdings.

### NOVACEL

In a tidying up operation, Novacel S.A. and Pricel S.A. have agreed to an exchange of shares whereby Novacel will become a wholly owned subsidiary of Pricel. Novacel and its subsidiaries own 75.4 per cent. of Viscose Development.

# London Pavilion turns down £3 offer

London Pavilion, whose main activity is running the cinema of that name in Piccadilly Circus, has given a sneak preview of a possible future attraction.

The chairman said yesterday: "A number of approaches has been received and one of these has indicated that an offer might be contemplated of up to £3 per share," valuing the company at £390,000.

But the directors do not think £390,000 is enough. In fact, they are publicly rejecting the offer before it has even been made.

The site in Piccadilly Circus is obviously worth quite a lot, especially now that the development of the area is at last under way. In due course the cinema will probably be converted into two auditoriums and perhaps some extra shops as well.

All this makes the book value of nil look pretty ridiculous. Unnamed chartered surveyors insisted that it had no measurable value since the lease is subject to six months' notice. But since the lease has recently been renegotiated for another five years and London Pavilion Ltd. has had it for getting on for a century, the notice seems unlikely to be given.

Anyway the Board and the property developers obviously do not think so. A stream of "unsolicited approaches" have been made over the years but this latest one is being taken quite seriously. It could be from one of the major leisure groups.

The list of major shareholders of London Pavilion is unusual. It consists of two deceased people who between them control just over 40 per cent. and one of whom is the famous Prince Littler. The third major shareholder with 19.9 per cent. is Abrahams Consolidated.

Yesterday, the shares rose smartly to the level of the rejected non-offer. It could be the beginning of a long run.

### SHARE STAKES

**Harris Lebus:** Bunting Estates has purchased a further 10,000 Ordinary shares bringing total interest to 225,000 shares (10.43 per cent.). Bunting's ultimate holding company is Greenbrook Secs.

**United Kingdom Property:** Having sold 100,000 Ordinary shares, Lazard Brothers are beneficial owners of 2,150,000 Ordinary shares (5.12 per cent.). This holding is in the name of Minden Secs.

**Toye and Co.:** J. B. Hayward and Son (medal specialists) beneficial holders of 127,500 shares (5.67 per cent.).

**Wilson Walton Engineering:** On January 6 Captain G. E. Downs, managing director, sold 200,000 Ordinary shares at 72p leaving him with 882,500 (17.65 per cent.). This transaction was the subject of an institutional placing through the market.

Also Wilson Walton International (Holdings) sold 200,000 Ordinary shares at 72p leaving 1,207,500 (24.15 per cent.). This transaction was also the subject of an institutional placing through the market.

**Capital and National Trust**—Abbey Life Assurance has sold 135,473 Ordinary shares and now interested in 730,000 (4.97 per cent.). This holding is registered in the name of Midland Bank Trust Co.

**Second Great Northern Investment Trust**—Abbey Life Assurance has sold 40,843 Ordinary shares and is now interested in 900,000 (4.92 per cent.).

**Chamberlain Group**—Mr. L. F. Chamberlain has disposed of his beneficial interest in 60,000 Ordinary shares.

**Comet Radiovision Services**—Mr. M. J. Hollingbery, a director, has sold 200,000 Ordinary shares.

**Fidelity Radio**—Mr. J. Dickman, a director, has sold 20,000 Ordinary shares; Mr. S. G. Dickman, a director, 25,000; and Mr. E. Quaknin, a director, 30,000.

**Associated Sprayers**—Mr. H. E. Newton-Mason, chairman, has sold and Mr. R. W. O. Beney purchased, 100,000 shares. Mr. Beney's interest is now 346,875 shares (0.55 per cent.).

### ASSOCIATES DEALS

On January 10 S. G. Warburg bought on behalf of United Medical Enterprises 300,000 Allied Investments Ordinary at 33p.

W. I. Carr, Sond and Co. purchased on behalf of Charterhouse Japhet, advisers to Coral Leisure Group, the following shares in Pontins: 230,000 at 42½p cum-dividend, 230,000 at 42½p cum-dividend, 30,000 at 42½p cum-dividend, 200,000 at 42p cum-dividend, 30,000 at 42p cum-dividend and 75,000 at 40½p special ex-dividend.

### Accountants probe

Mr. Martin Harris, former director general of the Takeover Panel and finance director of Reckitt and Colman, is to head a chartered accountants' inquiry into Sir Charles Hardie, his firm Dixon Wilson, and other chartered accountants who were criticised in the Department of Trade report on Mr. John Stonehouse's London Capital Group.

# Gulf Asia buys more Sanger

In connected deals worth over £650,000 Gulf Asia Pacific, a private company registered in Hong Kong, has taken a 9½ per cent. stake in J. E. Sanger, the meat trader, and a 40 per cent. stake in Sanger's Australian subsidiary.

Mr. James Sanger, executive chairman of Sanger, said yesterday that the arrangements would be of mutual advantage to both companies. Sanger has been aiming to get into the Middle East, Far East and African markets where the demand for meat is good. But one of the problems has been the lack of shipping which Gulf would be able to supply along with good representation.

Gulf is a "substantial" shipping and trading company with about 40 offices worldwide but particularly in the Far East, Australia, New Zealand and the Middle East. It has had trading links with Sanger for about nine months and was looking to make closer links with a meat procurer.

Gulf already held 150,000 shares in Sanger and has now bought another 800,000 at 50½p per share, of which 170,000 shares came from the directors. Mr. James Sanger's personal holding has been reduced by 70,000 to 1,725,813 shares (17½ per cent.) but the directors say they are not contemplating any further sales of shares.

As far as the Australian operation is concerned, Gulf will pay about £202,000 for a 29 per cent. interest from Sanger and will obtain a further 11 per cent. from the local managing director, Mr. J. W. D. Cooper. Subsequently the shareholdings in Sanger Australia will be 51 per cent. Sanger, 40 per cent. Gulf, and 9 per cent. Mr. Cooper.

In the stock market yesterday Sanger's shares fell 2p to 49p.

### ANGLO-INDONESIAN BUYS JENKS & CATTELL STAKE

The Anglo-Indonesian Corporation has acquired 180,240 shares in Jenks and Cattell at 80½p a share, being the stake formerly held by Catel Trust. This will give the Corporation 10.38 per cent. of the Midlands based garden tool and general engineering business.

Anglo-Indonesian's subsidiary Central Province Ceylon Tea Holdings has received £84,6[illegible] being the first two instalments of compensation due to it from the Sri Lanka Government during 1977, and Anglo-Indonesian has increased its stake in Mau Forest Holdings, which has tea interests in Kenya, from 44.6 per cent. to 54.84 per cent.

### EYF GEE/SMITH

It has been mutually agreed that the proposed merger between Eye Gee Company, a subsidiary of Rockfield Finance Company, Leeds, and P. J. and J. R. Smith announced in July will not proceed.

MINING NEWS

# Inco and Falconbridge tighten their belts

BY KENNETH MARSTON, MINING EDITOR

CANADA'S Inco, the world's largest producer of nickel, was carrying unsold stocks of finished metal at the year-end of some 340m. lbs. Nickel sales remained "discouraging" in the final quarter and production for the full year totalled about 415m. lbs.

Stating this at a hearing of the Ontario legislature select committee which is looking into the proposed production curtailments which have been announced by Inco and Falconbridge, the Inco chairman, Mr. J. Edwin Carter, pointed out that his company's cutback would not become really effective until next month.

Also appearing before the select committee was the Falconbridge president, Mr. Marsh A. Cooper. He cited "a continuing weak demand for nickel, compounded by new production by other countries, fierce competition and price cutting as the cause of the problems facing the company and its employees."

He estimated that stocks of finished nickel held by producers were now 340,000 tonnes, up by 20,000 tonnes since the end of 1974. Falconbridge's stocks at the end of the 1977 third-quarter were 7m. lbs.

The company has set its 1978 production requirements at 45-50m. lbs. of nickel "in order to avoid the additional build-up of inventory and to conserve cash," said Mr. Cooper. In effect, this will mean operating at about half-capacity.

While Falconbridge cannot forecast when it will be able to return to its previous high levels of production and has prepared "for the possibility of two or more difficult years" it remains optimistic for the longer term and hopes that production levels may be restored more quickly than appear at the present showing.

Meanwhile, the share price has fallen to around $18 in Toronto from its high of $182.50 in 1970. The major shareholder is McIntyre Mines (37.3 per cent.), while Superior Oil of Houston, Texas, has 36 per cent. of McIntyre.

## BP ACQUIRES A NEW S. AFRICAN COAL INTEREST

South Africa's Kanhym Investments, a listed group in which Union Corporation is a major shareholder and whose activities embrace coal mining and farming, confirms that the BP oil group has exercised its long-standing option to acquire a 50 per cent. interest in Kanhym's coal rights. These mainly consist of a small operating colliery, Eikeboom, and coal rights of about 100m. tons of coal in situ.

BP has an interest in one major export colliery, Ermelo Mines, with General Mining and Total, but its plans envisage development of a further large colliery, producing about 4.2m. tons of power station feedstock for export, centred on Eikeboom. The oil group has acquired substantial additional coal reserves in the same area.

Apart from demand in world coal markets, a major influence on the project will be whether the coal handling facilities at Richards Bay, which are fully committed up to 20m. tons capacity per year, will be expanded. Should the S.A. Government not wish to extend Richards Bay, BP is believed to be considering financing extensions by itself.

## GOPENG LIFTS TIN OUTPUT

The Malaysian tin producing group, Gopeng, reports a further improvement in tin concentrate production for December following the record rainfall and flooding of the previous two months. The latest output of 162¼ tonnes brings the three months' total to 430 tonnes against 493¾ tonnes a year ago.

Tanjong, however, has suffered a fall in December production which leaves the 12 months' total of 235¼ tonnes well below last year's figure of 293¾ tonnes. The latest outputs are compared in the following table:

| | Dec. tonnes | Nov. tonnes | Oct. tonnes |
|---|---|---|---|
| Gopeng | 162¼ | 140¾ | 127 |
| Tanjong | 18 | 21 | 17 |
| Idris | 21 | 22¼ | 17 |
| Panghalen | 11 | 11¼ | 10¾ |

## ROUND-UP

Malaysia's Selangor State Government intends to take over the mining leases of foreign firms when they expire, the State Chief Minister Datuk Hormat Rafie is reported to have said. The leases are to be taken up by the wholly owned state mining company, Kumpulan Perangsan Selangor, with foreign companies being allowed to take part in joint ventures although their equity participation will be reduced to 30 per cent.

* * *

In Lusaka, Mr. Kenneth Kaunda, the Zambian President, followed up international proposals of a cutback in copper production with the pledge of an unspecified reduction in Zambian output. Earlier Government Ministers had pointed out that Roan Consolidated's Luanshya mine was losing £142 per tonne produced at current prices.

* * *

First shipments of rutile were leaving the South African R250m. (£150m.) Richards Bay Minerals project destined for Europe. The first zircon shipment is expected the first manganese shipment in April. Partners in the project are Quebec Iron and Titanium, Union Corporation, South African Industrial Development Corporation and S.A. Mutual Life Assurance.

# RTZ £40m. potash sale

THE STATE-OWNED Potash Corporation of Saskatchewan has agreed in principle to buy a 60 per cent. stake in the Allan potash mine near Saskatoon. The stake will be brought from U.S. Borax and Chemical, the Rio Tinto-Zinc group's American subsidiary, which holds 40 per cent. of Allan and from Swift Canadian, which holds 20 per cent.

The cost to PCS will be $85.6m. (£40.6m.) in cash, but details of the way the purchase will be made and when the take-over will take place have not yet been worked out.

The move was announced yesterday by Mr. Allan Blakeney, the provincial premier. The agreement significantly deepens provincial involvement in the potash industry and follows hard on the heels of the agreement to buy the interests of Amax Potash in the province for $C85m.

The policy of the provincial Government is to acquire "some or all" of the ten potash mines in the province. But the move to take a controlling interest in Allan was no surprise. PCS began evaluating the mine last year.

PCS's holdings in the local industry are now approaching half of provincial capacity. It has already purchased the Sylvite operation from Hudson Bay Mining and Smelting and the German-French owned Alwinsal mine.

The Rio Tinto-Zinc group's Canadian Preston Mines has now signed a contract with Ontario Hydro for delivery to the provincial Government-owned utility of about 72m. pounds of uranium oxide beginning in 1984 and continuing for more than 30 years. Production will come from the currently dormant Stanleigh mine and mill at Elliot Lake, Ontario.

## MINING BRIEFS

AMALGAMATED TIN MINES OF NIGERIA—December production of tin ore 35.560 tonnes (November 36 tonnes).

PETALING TIN—December tin output ... tonnes (November ... tonnes).

ANGLO AMERICAN CORPORATION—Coal division sales output for December, 1977 (figures in metric tons): Republic of South Africa: Bituminous: Anglo American Coal Corporation Limited—Group Collieries Amalgamated (Cornelia) 384,388. Anglo Power (Arnot) 459,412. (Kriel) 346,667. Bloubok 30,231. Coronation (Bank) 178,974. New Largo 81,... S.A. Coal Estates 305,942. Springbok 182,115. Springfield 271,976. Vryheid Coronation (coal) 10,478, (coke) 41,823. Other Collieries: Vierfontein 96,535. ... Natal's Indumeni Colliery 10,272 ... Balgray 13,311. Natal Anthracite 37,801. Wankie (coal) 190,464. (coke) 13,643. Swaziland Collieries' Mpaka Mine 4,324. Morupule 22,999. Group total: 2,479,... tonnes.

## Asarco defines Cuajone loan repayments

THE NEW Peruvian copper producer, Southern Peru Copper Corporation, 53 per cent.-owned and managed by Asarco of the U.S., will not be drawing on a multi-bank loan in the middle of the month as anticipated, but will meet debt servicing charges through early payments by customers.

An Asarco statement explained yesterday that the bank loan agreement reached with a consortium led by Chase Manhattan and the U.S. Export-Import Bank last year provided for drawings only to meet maturing amortization payments to banks advancing new funds.

Asarco does not expect to meet the conditions for drawing on the loan, but its statement did not explain why not. The reason may be linked to Peruvian Government regulations. The statement said that SPCC was continuing its efforts to obtain necessary documentation from the Peruvian Government to meet the conditions.

About $20m. (£10.4m.) of amortization are due to the banks on January 16. A further $15m. of interest payments and $8m. of other amortization payments are due at the end of the month.

SPCC brought the Cuajone copper deposit to production in 1976 and reached full capacity last autumn. Although the mine's operating costs are said by Asarco to be among the lowest in the world, the addition of financial charges makes the overall cost of one pound of Cuajone copper about 68 cents, some 10 cents above current market levels.

## CMT to improve

MR. N. N. HICKMAN, chairman of Central Manufacturing and Trading Group says the current year has begun satisfactorily with demand, particularly for industrial services, continuing to improve.

It is impossible to predict the future trend of profitability with much degree of certainty, particularly in the steel stockholding and engineering sectors.

The economic and political prospects of the U.K. are as uncertain as ever now as for the last few years. But after the group's period of consolidation after a series of acquisitions and capital expenditure Mr. Hickman is confident that CMT is equipped to improve on the record £3.94m. profit achieved in the July 31, 1977 year.

On a divisional analysis turnover and sales of the group were in £000:— Industrial services 20,495 and 2,135 (15,212 and 1,605), light engineering 4,200 and 376 (3,416 and 348), metal processing 10,678 and 148 (11,431 and 613), steel stockholding 16,624 and 1,069 (14,055 and 918) and tubes, fittings and forgings 4,320 and 378 (3,781 and 644).

NOTICE OF REDEMPTION
To the Holders of

## Queensland Alumina Finance N.V.

8½% Collateral Trust Bonds Due 1986

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Queensland Alumina Finance N.V. Collateral Trust Indenture dated as of March 1, 1971, U.S. $600,000 principal amount of the above described Bonds have been selected for redemption on March 1, 1978, in lieu of a redemption for the purpose of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

BONDS OF U.S. $1,000 EACH

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| M- 61 | 2310 | 3926 | 5986 | 8180 | 9873 | 11466 | 13133 | 14851 | 16699 | 18738 | 20957 | 21765 | 23103 | 24870 | 26490 | 28626 |
| 154 | 2351 | 4012 | 6022 | 8273 | 9913 | 11544 | 13173 | 14932 | 16746 | 18754 | 20976 | 21792 | 23172 | 24962 | 26553 | 28672 |
| 250 | 2459 | 4014 | 6060 | 8349 | 9937 | 11569 | 13207 | 15004 | 16820 | 18839 | 21005 | 21808 | 23199 | 25009 | 26630 | 28746 |
| 276 | 2543 | 4055 | 6113 | 8448 | 9949 | 11627 | 13275 | 15076 | 16866 | 18869 | 21030 | 21809 | 23263 | 25049 | 26714 | 28838 |
| 327 | 2581 | 4104 | 6117 | 8487 | 9959 | 11714 | 13326 | 15118 | 16915 | 19154 | 21055 | 21812 | 23350 | 25057 | 26796 | 28861 |
| 386 | 2632 | 4184 | 6181 | 8573 | 9974 | 11724 | 13345 | 15170 | 16972 | 19177 | 21095 | 21838 | 23353 | 25058 | 26891 | 28938 |
| 468 | 2667 | 4336 | 6236 | 8647 | 9975 | 11776 | 13419 | 15182 | 17001 | 19191 | 21119 | 21853 | 23383 | 25109 | 26951 | 29007 |
| 470 | 2734 | 4387 | 6342 | 8732 | 9983 | 11845 | 13498 | 15272 | 17067 | 19205 | 21132 | 21857 | 23446 | 25174 | 26980 | 29093 |
| 559 | 2804 | 4450 | 6319 | 8784 | 9985 | 11892 | 13506 | 15298 | 17133 | 19263 | 21143 | 21892 | 23515 | 25218 | 27094 | 29155 |
| 705 | 2863 | 4547 | 6329 | 8840 | 10008 | 11955 | 13591 | 15342 | 17227 | 19357 | 21149 | 21905 | 23540 | 25233 | 27172 | 29203 |
| 729 | 2899 | 4665 | 6413 | 8919 | 10011 | 11959 | 13612 | 15373 | 17281 | 19401 | 21178 | 21920 | 23597 | 25316 | 27243 | 29269 |
| 737 | 2912 | 4689 | 6438 | 9006 | 10058 | 12020 | 13617 | 15406 | 17309 | 19461 | 21186 | 21956 | 23618 | 25317 | 27334 | 29279 |
| 740 | 2964 | 4753 | 6473 | 9007 | 10089 | 12063 | 13694 | 15477 | 17388 | 19523 | 21227 | 21998 | 23646 | 25416 | 27411 | 29341 |
| 786 | 2969 | 4851 | 6556 | 9010 | 10077 | 12158 | 13718 | 15499 | 17392 | 19614 | 21286 | 22007 | 23742 | 25497 | 27438 | 29357 |
| 875 | 3005 | 4893 | 6622 | 9071 | 10106 | 12193 | 13725 | 15594 | 17465 | 19663 | 21302 | 22034 | 23756 | 25589 | 27462 | 29509 |
| 958 | 3040 | 4894 | 6587 | 9079 | 10188 | 12216 | 13804 | 15659 | 17564 | 19718 | 21303 | 22047 | 23796 | 25622 | 27512 | 29544 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 1832 | 3474 | 5692 | 7427 | 9517 | 10819 | 12775 | 14388 | 16318 | 18318 | 20507 | 21548 | 22631 | 24489 | 26068 | 28136 | |
| 1875 | 3548 | 5604 | 7507 | 9552 | 11008 | 12776 | 14433 | 16397 | 18404 | 20565 | 21561 | 22636 | 24523 | 26119 | 28226 | |
| 1884 | 3550 | 5637 | 7817 | 9565 | 11106 | 12804 | 14480 | 16417 | 18484 | 20607 | 21605 | 22656 | 24586 | 26133 | 28318 | |
| 1923 | 3637 | 5719 | 7857 | 9586 | 11148 | 12816 | 14561 | 16461 | 18510 | 20637 | 21642 | 22721 | 24611 | 26176 | 28329 | |
| 1985 | 3732 | 5819 | 7927 | 9640 | 11184 | 12909 | 14581 | 16482 | 18544 | 20724 | 21652 | 22779 | 24627 | 26224 | 28368 | |
| 2076 | 3771 | 5859 | 8021 | 9690 | 11283 | 12963 | 14641 | 16533 | 18643 | 20796 | 21667 | 22829 | 24640 | 26289 | 28423 | |
| 2130 | 3778 | 5881 | 8079 | 9693 | 11307 | 12984 | 14685 | 16555 | 18706 | 20848 | 21690 | 22893 | 24675 | 26334 | 28448 | |
| 2214 | 3789 | 5947 | 8127 | 9766 | 11387 | 13038 | 14736 | 16633 | 18718 | 20893 | 21713 | 22990 | 24766 | 26357 | 28483 | |
| 2309 | 3837 | 5949 | 8157 | 9799 | 11460 | 13103 | 14813 | 16549 | 18727 | 20931 | 21747 | 23087 | 24863 | 26434 | 28545 | |

On March 1, 1978, the Bonds designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. Said Bonds will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of **Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015,** or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London or Paris or at the main offices of Bank Mees & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on, or by a transfer to a dollar account maintained by the payee with, a bank in New York City.

Coupons due March 1, 1978 should be detached and collected in the usual manner.

On and after March 1, 1978 interest shall cease to accrue on the Bonds herein designated for redemption.

QUEENSLAND ALUMINA FINANCE N.V.
*By* WILLIAM HOBBS, *Managing Director*

Dated: January 12, 1978

# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Thyssen withdraws from French steel venture

BY DAVID CURRY

PARIS, Jan. 11.

THE FRENCH steel industry has been quick to point out that Thyssen's decision announced on Tuesday to withdraw from its participation in the ultra-modern Fos plant on the Mediterranean coast reflects a change in the German company's development strategy rather than dissatisfaction with the progress of Fos as such.

After all, Thyssen is heavily in the red in its steel-making divisions and is unable to see any scope for increases in basic steel-making capacity. Hence, its stake in the Fos plant, which last year produced 2.78m. tonnes, representing 80 per cent. of capacity, was superfluous.

Nonetheless, the Thyssen withdrawal does mark the formal end (the informal end came with the recession) of dreams of making Fos an example of international co-operation in the type of basic industrial activity which is still central to the European economy.

The Fos plant, which first started producing in 1974, is owned by a company called Solmer. In this company the two biggest French steel-makers Usinor and Sacilor (the latter via Sollac) owned 47.5 per cent. each and Thyssen the remaining 5 per cent.

The idea was that the first stage of development would take production capacity up to 3.5m. tonnes a year, and that from 1975 to 1980 this would be doubled. At the same time the German company would step up its stake from 5 per cent. to 25 per cent. in the capital.

The doubling of capacity has to all intents and purposes been abandoned. The Government's rescue plan for the tottering French steel industry, unveiled last year, placed the emphasis on replacing elderly plant with modern equipment in the traditional steel-making areas of Lorraine and the north, where the problems of job-loss were greatest. It also made clear that there would be no overall increase in French steel-making capacity, because of conditions in the European and world markets.

Although the second stage of Fos development is now a remote possibility, a much more modest programme of investment has just been agreed at Fos to take capacity from 3.5m. to 4m. tonnes a year by 1979, the increase being achieved without requiring new purchases of heavy plant.

The last capital increase at Solmer took place a year ago, when the three partners subscribed Frs.450m. in new money to take the capital to Frs.1.95bn. Thyssen's stake will be bought equally by the two French steelmakers so that they will end up with a 50 per cent. stake each in Solmer.

Last year French steel production declined by 4.8 per cent. to 22.1m. tonnes, some 10m. tonnes below capacity.

Adrian Dicks writes from Bonn: Thyssen stressed to-day that it had made clear to its French partners in the Solmer project ever since its early stages that it was leaving open its option to take part in the next phase of expansion of the Fos steelworks.

The company plainly feels that the outlook for mass steels of the type for which the Fos plant is designed has changed so radically for the worse that its own original hopes from the venture cannot now be fulfilled.

By far the largest of the West German steel groups, Thyssen has also been among the most successful in its efforts to ride out the current crisis in the industry. At the end of November it predicted payment of an 11 per cent. dividend for the 1976-77 business year—*slightly* down from the previous year's 14 per cent., yet very much better than most of its rivals.

This relatively satisfactory performance has been achieved partly by substantial rationalisation in the mass steel-producing area, but also by early diversification away from this problem range of activity. Thyssen is heavily involved in the much healthier special steels area, as well as in engineering, trading, services and sundry manufacturing.

The group's decision to pull out of Solmer (on terms that have not yet been settled) leaves it with no outstanding steel-making activities outside West Germany, apart from a 42.6 per cent. stake in Cosigua, at Santa Cruz, Brazil, which it regards as serving the Brazilian domestic steel market from a present production of some 500,000 tonnes.

## Dutch insurer expands in Belgium

By Charles Batchelor

AMSTERDAM, Jan. 11.

NATIONALE - Nederlanden, the largest Dutch insurance group, has acquired two Belgian finance companies. Nationale-Nederlanden's life and general insurance subsidiary De Vaderlandsche in Belgium has taken over the B.Frs.61.87m. capital of Sodefinas and the B.Frs.50m. capital of Societe de Financement Bufa.

The two associated companies are primarily engaged in personal loans and instalment credits. They had a combined balance sheet total of around B.Frs.3bn. at the end of 1976 and loans outstanding of B.Frs.2.5bn. The head office of the Sodefina group is in Brussels and there are branches in Antwerp, Liege and Charleroi. The total workforce is 100.

De Vaderlandsche is based in Antwerp and had a balance sheet total of about B.Frs. 6.5bn. at the end of 1976 and income of more than B.Frs.2bn. Nationale Nederlanden's other Belgian activity comprises the insurance company De Nieuwe Vaderlandsche which had a 1976 income of B.Frs.100m.

Nationale - Nederlanden recently reported that its international activities contributed 37 per cent. of its Fls.5.4bn. revenue in 1977 compared with 32 per cent. the year before.

AMERICAN NEWS

## Humana wins Medicorp

BY STEWART FLEMING

NEW YORK, Jan. 11.

HUMANA, the second largest U.S. hospital operating company, has succeeded in its three month battle for control of American Medicorp, another leading company in the industry.

Humana said to-day that its tender for 60 per cent. of American Medicorp (5.7m. shares) was heavily oversubscribed.

Humana has been struggling for control of American Medicorp against a competing offer from Trans World Airlines (TWA) and its hotel subsidiary Hilton International.

TWA had offered $20 a share in cash for up to 6m. of American Medicorp's 9.5m. shares. But Humana had responded with an offer of $15 a share in cash plus $13.75 in preferred stock for each share and valued the sixty per cent. interest it was seeking at $164m.

Humana has said that it will seek to acquire the outstanding 40 per cent. of the Medicorp stock through a merger.

TWA said that it had dropped out of the contest because it decided that an increased offer to compete with the Humana bid would be "inadvisable."

Yesterday, directors of Medicorp dropped their bitter opposition to the Humana bid, which they have been pursuing through the courts, and agreed to tender their own stock.

An outstanding question, which has yet to be resolved, is the attitude of the U.S. anti-trust authorities, who have requested information from the two companies. Since both companies operate hospitals, an anti-trust action cannot be ruled out.

### Johns-Manville to close plants

JOHNS-MANVILLE CORP. plans to close or divest four production facilities and write-down certain intangible values due to the discontinuation of a product line, resulting in a fourth quarter charge of about $5.7m., or 26 cents a share.

It said principal assets involved in the write-down include a wood fibreboard plant in Ontario, Canada, a reflective insulations manufacturing facility in Manville, N.J., acoustical ceiling tile facilities in Alexandria, Indiana, and a pre-stressed concrete operation with four U.S. producing locations.

Also included in the write-down are certain intangible values in connection with an integrated ceilings systems business, the company said. The total pre-tax charge of all the write-downs is about $10m.

The company did not say how many employees would be affected by its decision.

Johns-Manville said gains on dispositions of assets for the first nine months of 1977 increased net earnings by about $7.2m. or 33 cents a share and, as a result, the entire year will show an earnings gain of about $1.5m. or seven cents a share from dispositions.

### G. D. Searle disposals to bring $95m. boost

G. D. SEARLE and Co., the giant store chain group, said it will divest certain businesses as part of a series of cash strengthening steps it expects will help 1977 earnings by as much as $95m.

It said accounting reserves reflecting the divestments may total $50 to $60m.

Searle said it is making special provisions for writedowns of certain other assets and for termination of a profit sharing plan.

Searle said businesses to be divested had 1977 sales totalling about $100m. and are expected to show an operating loss for the year.

It said the move will relieve operating losses and put Searle in a better position to take advantage of future growth opportunity.

Searle said none of the approximately 20 businesses involved accounts for more than 3 per cent. of total sales.

President Donald Rumsfeld said Searle will concentrate management efforts and financial resources on its primary and larger business areas. He said none of Searle's pharmaceutical, consumer or retail optical lines are affected by the divestiture plan.

He said Searle enters 1978 in a "strong position" and it expects to maintain its regular dividend policy.

Reuter

### Energy Department accuses Exxon Corp.

THE DEPARTMENT of Energy said that Exxon Corporation overcharged customers some $183.3m. for crude oil from the Hawkins Field in Texas. The announcement was issued in the form of a possible violation notice.

Exxon has ten days to answer the allegation. Late last month, the Agency accused Exxon of overcharging customers of its domestically produced crude by $70.8m.

Reuter

### Spencer Foods on stock activity

SPENCER FOODS Inc., said in response to an inquiry from the American Stock Exchange that it knows of no corporate developments that may account for the recent trading activity in its stock, reports Reuter.

The company noted it held preliminary discussions, which were previously disclosed, regarding the sale of certain of its properties but no agreements or understandings have been reached.

## Quebec Minister in Sun Life clash

By Robert Gibbens

MONTREAL, Jan. 11.

QUEBEC FINANCE Minister Jacques Parizeau has confirmed that one main issue in the dispute with the Sun Life Assurance Company of Canada is the "matching" of assets and liabilities in the Province. The Government had warned the insurance industry that it planned to lay down new guidelines for investment of Quebec-derived premium income and of Quebec derived pension and group life funds.

Sun Life with assets of $C5bn. and worldwide insurance in force of $C31.7bn., including over $C6bn. in Quebec, said last week it would move its head office from Montreal to Toronto because the restrictions of the French Language Charter made it impossible to recruit enough Anglophone specialists and managers for HQ operation.

It only hinted briefly that a dispute over investment allocation had occurred with the Government.

Mr. Parizeau is upholding his figures that Sun Life should, according to Government formulae, have $400m. more invested in Quebec than it in fact has. Sun Life itself says it has nearly $700m. invested in the Province.

Sun Life had no immediate comment but was understood to be preparing new figures to back up its position.

## SPCC loan draw-down delayed

SOUTHERN PERU Copper Corporation (SPCC) has announced that it does not expect to meet the draw-down conditions of the supplementary loan agreements signed last October in time to make the draw-down scheduled for mid-January. This means that it will not be able to take up the funds which the banks have agreed to lend it on the scheduled date.

It is continuing its efforts to obtain the required documentation from the Peruvian Government to fulfil the draw-down conditions. The next date on which funds might be made available is July, 1978.

Under the terms of the loan agreements between SPCC and a consortium of 28 banks to provide $63.4m. of additional long-term debt for SPCC's Cuajone project, the loan facility may be used only to refinance maturing amortisation payments to the banks providing the new funds. Some £20m. of amortisation is scheduled to be paid to those banks on January 16, 1978.

In addition, some $15m. of interest payments and $8m. of other amortisation payments are due this month.

SPCC expects to meet these debt service obligations as they mature with cash resulting from early payment by Cuajone copper buyers.

### Continuous quote for Rorento shares

THE AMSTERDAM Stock Exchange will quote the shares of the Dutch investment fund Rorento on a continuous basis from to-day. This is in response to the large turnover of Rorento's shares in recent months, an exchange spokesman said. Rorento has frequently been the most actively traded stock on the Exchange.

This brings the number of continuously traded stocks to 2[illegible]

## Lower profits from RWE

ESSEN, Jan. 11.

LOWER profits are reported by Rheinish-Westfaelische Elektrizitaetswerk (RWE). At the net level profits have dipped from DM446m. to DM411m. for 1977.

Last year the utility, West Germany's biggest in the electricity field, saw volume sales rise by 4 per cent. to 99.8bn. kilowatt hours. Turnover rose by a similar percentage to Capital spending last year was a DM1,871bn. from DM11,458bn. third lower at DM2bn.

In December the company announced plans for a rights issue—one for five at DM90—when it also disclosed that the 1977 dividend would be DM8 a share compared to DM8.50 in 1976.

* * *

THE FRENCH motor manufacturer Renault has maintained its position of dominance in West Germany's imported car market, writes Guy Hawtin from Frankfurt. Last year the French group sold a record 130,000 vehicles in the Federal Republic.

According to a group announcement to-day, demand for its Renault 14 model remained strong and sales totalled 22,000 units. At the same time, turnover of the German subsidiary, Deutsche Renault, advanced from 1976's DM 1.3bn. to DM 1.4bn.

The French group's greatest success, however, came at the upper end of the market. The biggest Renault models on sale in the Federal Republic—the Renault 20 and the Renault 30—have done particularly well.

According to 1977 statistics, deliveries of these vehicles rose by 24 per cent. for the year as a whole, while during the final third of the year registrations of the 20 and 30 models were up by 51 per cent.

* * *

FRIED. KRUPP GmbH, the holding company of the West German steel, shipbuilding and engineering group, is to undertake investments this year worth a total of some DM100m. (£24m.), the chairman, Herr Heinz Petry, told employees in a New Year message, writes Adrian Dicks from Bonn. This is less than half the DM250m. for the 1977 business year.

Details of the 1978 investment programme were not provided. But Herr Petry made clear that it would be concentrated on Krupp's mechanical engineering, plant construction and trading interests, in which it has been able to register some notable successes even during the difficult year of 1977.

Krupp's total group order book stood at more than DM9bn. at the beginning of the New Year, however, and Herr Petry told employees that "we have no reason to feel pessimistic."

Herr Petry referred to the reorganisation of the Krupp group's steelmaking activities last year, when the recently acquired Stahlwerke Suedwestfalen was integrated with Fried. cipal steelmaking company of the group. This process, the chairman said, had strengthened Krupp's special steels interests and laid a firmer base for the future—though he held out little hope that there would be any short-term improvement in the steel industry.

## Nat. Mutual new business

By Eric Short

THE NATIONAL MUTUAL Life Association of Australasia, the second largest life company in Australia, reports an 8 per cent. growth in its world wide new business annual premiums for the year ending September 30, 1977. These totalled $A71m. (£44.9m.) compared with $A65.9m. (£41.7m.) in the previous year. New sums assured showed a much smaller rise, amounting to $A3.567bn. (£2.258bn.) against $A3.553bn. (£2.248bn.).

Market conditions for life assurance and pensions business were somewhat depressed during the period under review, and the company in these circumstances regard the results as satisfactory. The group operates not only in Australia, Tasmania and New Zealand, but also in the U.K. and South Africa. It is the largest group pensions company in Australia, and was the first to introduce the managed fund concept. Results last year were affected by slower growth in pensions business.

EUROBONDS

## Dollar sector lower

BY MARY CAMPBELL

THE DOLLAR sector weakened yet again yesterday, with prices falling around half a point. A large number of relatively recent issues, which had been priced in the 99-100 range, are now quoted

| | Yesterday | Tuesday |
|---|---|---|
| Medium | 99.56 | 99.66 |
| Long | 93.50 | 93.65 |
| Convertible | 105.95 | 106.07 |

at around 95 or below. D-Mark bonds improved somewhat.

A new unit of account issue—the first for several months—has been launched for the Swedish borrower Kommunlaneinstitutet. This is the lending institute for the smaller local authorities. The U/A 12m. (about $25m.) issue offers an indicated coupon of 8 per cent. on a 15 year maturity (average life eight years). Lead managers ...are ...Kredietbank Luxembourgeoise and Skandinaviska Enskilda Banken.

VONTOBEL EUROBOND INDICES

14.5.76=100%

| PRICE INDEX | 3.1.78 | 10.1.78 | AVERAGE YIELD | 3.1.78 | 10.1.78 |
|---|---|---|---|---|---|
| DM Bonds | 108.42 | 107.65 | DM Bonds | 6.441 | 6.441 |
| HFL Bonds & Notes | 101.19 | 101.68 | HFL Bonds & Notes | 8.202 | 8.096 |
| U.S. $ Strt. Bonds | 100.49 | 100.40 | U.S. $ Strt. Bonds | 8.609 | 8.623 |

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# INTERNATIONAL FINANCIAL AND COMPANY NEWS

SWISS NEWS

## Swissair's excellent year

BY JOHN WICKS

ZURICH, Jan. 11.

SWISSAIR had "excellent" results in 1977, it was disclosed in a speech by airline chairman Armin Baltensweiler to staff. The year, he said, had been the best in Swissair's history and results had far surpassed the annual budget.

Net profits for 1977, Baltensweiler stated, will permit adequate interest on equity and at the same time a strengthening of the company's financial position. There had been a substantial improvement in the revenue level as expressed by average yield per ton-kilometre over what had been anticipated.

The reinforcement of the financial situation of the airline, he added, would permit modernisation and expansion of the Swissair fleet "in good time." In the coming six years, this would call for well over Sw.Frs.2bn., a large part of this to come from Swissair's own funds. Only to a small extent would the company have to rely on borrowed money.

In September shareholders had been told that a good result was expected for 1977 after gross income had risen sharply in the first half. Swissair then said it was aiming for about the same financial result in 1978 as in 1977.

## Norwegian bond issue

THE NORWEGIAN mortgage body Norges Hypotekforening for Naeringslivet is to float a Swiss capital market issue of Sw.Frs.80m. worth of bonds with a 4.25 per cent. coupon on January 13. The public offering, to be handled by a banking consortium led by the Scandinavian-controlled Nordfinanz - Bank Zurich, will be at a price to be announced on Friday. The maturity of the issue is a maximum 15 years.

## Credit Suisse Molini plan

THE SWISS Bank Credit Suisse, of Zurich, intends to carry out a large-scale injection of funds into the Italian milling concern Molini Certosa. The company, in which Credit Suisse has had a 95 per cent. stake since last year, lost some L1.7bn. in 1977 after sales of about L6bn. and its debts amount to a figure in the region of L4bn. The losses are understood to have resulted from real-estate investments by the former management, production interruptions and wheat transactions.

The entire capital of Molini Certosa, is intended to be written off and other measures taken in the financial re-organisation of the company. Former credits granted to Molini Certosa, including those made by an ex-deputy general manager of Credit Suisse in excess of his authority, will be converted and payments made from reserves.

There could, however, be some delay in the financial aid measures, it is understood, due to the investigations currently being made by the Public Prosecutor's department in Milan.

## Nestle bid succeeds

THE SWISS foodstuffs group Nestle, working through its U.S. subsidiary Delaware Bay Company, has now acquired 97.4 per cent. of the 6.37m. shares of Alcon Laboratories Incorporated, of Fort Worth. The offer period expired on January 6 after having been extended.

The acquisition of control over Alcon, which specialises in opthalmic products, had been the subject of a bid of $42 per share announced by the parent company Nestle SA, or Vevey, in October. This is the Nestle group's first real incursion into the field of pharmaceuticals.

## Lief Hoegh beats the trend

By Fay Gjester

OSLO, Jan. 11.

A LEADING Norwegian shipping group has reported its best-ever year in 1977, despite the continuing world shipping crisis. Leif Hoegh and Co. says operating profits for the year reached Kr.297m. — Kr.77m. higher than in 1976—while gross freight earnings totalled Kr.1.8bn. Seven new vessels were ordered for the concern during the year, bringing ships on order for its account to ten at the end of 1977.

Hoegh's strong economic position will enable it to continue taking advantage of present favourable conditions for ordering new ships, says managing director C. Olsen. In the first instance, it plans to order two roll-on, roll-off ships for Hoegh-Ugland Auto Liners, for delivery in 1979-80.

The group attributes its good results to its wide spread of interests, embracing profitable fields like car shipments, as well as the less remunerative tanker and bulk sectors, where returns on invested capital have been unsatisfactory. Hoegh's engagement in gas carriers still represents, overall, a burden on the group, and it is uncertain how soon employment can be found for these ships. Over the longer term, however, Hoegh expects its investments in this sector to benefit the concern.

## Banque Rothschild acquisition

BANQUE ROTHSCHILD is negotiating to take a majority stake in Cie Europeenne de Banque. At present Cie Europeenne's Frs.30m. capital is 99.3 per cent. held by TransAmerica Corp. Cie Europeenne has a balance-sheet total of Fra.600m.
Reuter

## Eastern Asia holds half-time payout

BY PHILIP BOWRING

HONG KONG, Jan. 11.

EASTERN ASIA Navigation, the principal quoted arm of Y. K. Pao's World-Wide (Shipping) group to-day announced an interim dividend maintained at 19c, and forecast that results for the full year ending in March should be at least as favourable as last year, when profits were $HK164m.

It said that any effects of the financial crisis at Japan Line—which has asked for rescheduling of its debts—would be unlikely to materialise before next financial year.

Japan Line is Eastern Asia's major client, with, according to its last annual report, approximately 35 per cent. of the company's tonnage of 4.25m. tons. This is also roughly the percentage of the total World Wide fleet, believed in the region of 16m. tons, on charter to Japan Line.

Another substantial portion, thought to be a little under 20 per cent., is on charter to Sanko Steamship, another major Japanese line.

Hongkong and Shanghai Banking Corporation owns about 20 per cent. of Eastern Asia, and a larger percentage of the two major unquoted World Wide companies.

Eastern Asia's first-half group net operating profit was $HK87.45m., compared with $HK82.4m. a year earlier.

Since the end of the first half the company has acquired a 137,323 long dwt tanker with a long term charter attached, and has disposed of a 69,525 long dwt tanker, and of its interest in the shipping investment company, Liberian Independence Transports Inc.

## Abestline Products

TOKYO, Jan. 11.

ABESTLINE PRODUCTS, a major "pyramid type" sales company in Tokyo, faces bankruptcy after failing to honour bills with estimated liabilities of about Y5bn., Teikoku Koshinsho, a private credit inquiry agency, said. The Japanese branch of the Hong Kong-based company had been investigated by police for suspected violation of foreign exchange and trade laws and tax evasion. The company sells chemical detergents and cosmetics.
AP-DJ

## Standard links with building society

By Richard Rolfe

JOHANNESBURG, Jan. 11

STANDARD BANK of South Africa, in which Standard Chartered holds a stake of 67 per cent., has negotiated "a close business relationship" with the Prudential Equity Building Society, the eighth biggest society, on an asset basis, in the Republic. The name of the society is to be changed to Standard Building Society.

The agreement will enable the bank to expand its range of services locally by making tax-free and other building society shares available to customers. In addition, but initially on a limited scale, bank customers will be able to obtain building society loans. Other local banks have comparable relationships with the building societies, but only Trust Bank, with the Trust Building Society, is connected with a building society of the same name.

Prudential Equity had combined assets of more than R100m. in March 1977, and has 10 branches. The society believes it will acquire a broader base for its operations and expand more rapidly than would otherwise have been the case. It expects to attract more investment and so to be able to expand its lending. Standard will put in a certain amount of money, although the precise amount has yet to be determined. Both parties believe that with the increasing sophistication of the local money market, it is necessary for building societies to develop closer relationships with the banks.

AUSTRIAN BANKING

## Controversy—in public and private —over new credit law proposals

BY PAUL LENDVAI, IN VIENNA

**Changes in banking law proposed in Austria should produce major alterations in the shape of Austrian banking, replacing legal provisions dating back to 1939, and strengthening competition. The proposed legislation, expected to come into force next January 1, will involve one law on the credit system and one on the savings banks. The provisions most directly affecting customers are that they would earn interest immediately on savings deposits—instead of from 14 days after deposit, as at present—while the system of anonymous deposits would be maintained. Above all, however, the new legislation implies sharper competition and a speeding-up of the trend towards banking houses offering a comprehensive range of services.**

THE DRAFT of the new Austrian credit law, published just before Christmas by the Finance Ministry, is bound to lead to major shifts within the Austrian banking world. It should replace legal provisions which stem from 1939, and also strengthen competition.

Though the fruit of many years of labour and discussions, the Draft is still a subject of intense public and private controversy. Under the assumption that no new major stumbling blocks emerge, the new banking legislation, involving one law on the credit system and one on the savings banks, should come into force on January 1, next year.

"The central place, occupied by the credit apparatus within the overall economic development demands a clear-cut and flexible legislative foundation which would also take into account future changes." This was stated by Vice-Chancellor and Finance Minister, Dr. Hannes Androsch, on submitting the draft to the various institutions which have the Constitutional right to evaluate and to suggest changes in Bills before they are presented to Parliament.

The provisions which most directly affect the clients are the maintainence of the system of anonymous savings deposits and the change-over to paying immediately interest on savings deposits as against the current practice under which interest begins to accrue 14 days after the deposit is placed.

The main results of the new legislation will be, above all, even sharper competition and an accelerated trend towards universal banking. The balance of forces both between and within the so-called main "sectors" will undergo important changes. The difference between the joint-stock banks, savings banks and the farmers credit co-operatives will become less and less pronounced.

The opening of new branches has now been practically freed of any constraints and it remains to be seen whether profitability considerations will in the final analysis prove stronger than prestige factors. Only two days after the release of the text of the draft law, Dr. Hellmut Klauhs, director general of Genossenschaftliche Zentralbank, the central institute of the credit co-operatives, candidly remarked that neither small savers nor borrowers have really profited from the liberalisation tendencies.

Aside from provisions with regard to more stringent control of balance sheets and a higher degree of protection for depositors, the new draft law provides for the fully equal "universal bank" status of Austria's two largest savings banks, Zentralsparkasse and First Vienna Savings Bank, both in Vienna. Savings banks with total assets exceeding Sch.30bn. (just over £1bn.) will henceforth be able to engage in every form of banking business except for issuing mortgage and communal bonds. Zentralsparkasse is expected to report a consolidated balance sheet to the tune of Sch.60bn. for 1977, and the First Vienna Savings Bank one of Sch.42bn. The other 164 independent savings banks are all much smaller.

Another important change is the projected freedom of establishment for all savings banks in towns with more than 20,000 inhabitants. This last minute surprise in the Draft is said to stem from concern that the abolition of regional restrictions only with regards to the two major Vienna savings banks could have violated the principals of Constitutional law.

In any event, the two Vienna savings banks have already acquired their own banking outlets, which in turn allow them to operate well beyond the Vienna area. Zentralsparkasse acquired last summer a majority holding in "Wien-Kredit," a hire purchase bank with 23 branches. Its rival in Vienna, the First Vienna Savings Bank, has just announced the takeover of Bankhaus Roessler, which has a nominal capital of Sch.10m. and a balance sheet of Sch.300m.

The potentially most significant shift, however, may well occur within the savings banks sector itself—more precisely in the relationship between the two large Vienna savings banks and Girozentrale, the umbrella institute of the savings banks. Until now the two banks, like all other savings banks, have had to keep 10 per cent. of their savings deposits and 20 per cent. of their deposits (excluding inter-bank deposits) at the Girozentrale as obligatory minimum reserves.

Under the new law, Zentralsparkasse and First Vienna Savings Bank could, for example, switch their liquidity reserves with one year's notice from the Girozentrale to the Nationalbank, the central bank. In turn Girozentrale, with a balance sheet of over Sch.100bn. last year, and taking a proud second place among Austrian credit institutes, would be faced with a potential threat to its underlying financial strength.

These are the reasons why the draft of the new banking law should produce crucial changes in the world of Austrian banking. In view of the potential implications, however, the Draft may well be changed during the coming period of further public and private debate and power struggles.

DOMESTIC BONDS

## Bundesbahn opts for 12 years

BY JEFFREY BROWN

STANDING FIRM against another round of coupon cuts, the issuing authorities behind the new loan by the German Federal Railways have opted for a lengthened maturity. The DM850m. offering will be priced at par, carry a coupon of 6 per cent. and run for 12 years.

Following a dip earlier this month to coupons of 5¾ per cent. in the foreign bond market in Frankfurt, it looked conceivable that dealers in the domestic area were about to be confronted with a similar move. Yesterday there was obvious market relief when the Bundesbahn's decision to hold its coupon at 6 per cent. was announced. Last May the Bundesbahn raised DM700m. by way of a 12-year loan which was priced at par and carried a coupon of 6¾ per cent.

As it is, the new offering looks like being readily accepted. Issue yield of 6.08 per cent. to institutions slots neatly into the current market range for maturities of 12 years. It compares with around 5.9 per cent. for the three 6 per cent. coupon stocks (two by the Federal Republic and one by the Bundesbahn) issued since last autumn. The new offering goes on sale next Monday.

Reuter reports from Paris that French domestic bond dealers, who are already finding new paper hard to place, fear a glut of issues ahead of the March elections may exacerbate their problem. This week's Frs.1.3bn. Credit Foncier de France Bond issue is apparently going "very slowly."

Major borrowers—among them Credit National, Caisse Nationale de Telecommunications, Banque Francaise du Commerce Exterieur— are lining up to tap the market. These borrowers are expected to seek between Frs.500m. and Frs.1.5bn. each. The issuing banks already have a very large volume of unsold bonds on their books.

Institutional investors are now taking some 50 per cent. of new issue volume against the 60 to 70 per cent. seen in less congested times.

## SELECTED EURODOLLAR BOND PRICES

### MID-DAY INDICATIONS

| IGHTS | Bid | Offer |
|---|---|---|
| Australia 8½pc 1989 | 97¾ | 98 |
| 8pc 1987 | 95¾ | 96 |
| aha 8¾pc 1992 | 95¾ | 96¼ |
| alian M. and S. 8½pc | | |
| | 99½ | 99¾ |
| Bank 8¾pc 1992 | 98¾ | 97¼ |
| 8¾pc 1992 | 97 | 97¾ |
| Rwy. 8¾pc 1986 | 96¾ | 97¼ |
| National 8¾pc 1986 | 97½ | 98½ |
| k 8¾pc 1984 | 99 | 99½ |
| pc 1993 | 95½ | 96½ |
| pc 1987 | 96½ | 97¼ |
| pc 1992 | 98½ | 99½ |
| pc 1989 | 95 | 95½ |
| an 8¾pc 1989 | 95 | 95¾ |
| pc 1988 Nov. | 99¾ | 100¼ |
| akes Paper 8¾pc 1986 | 96¾ | 99½ |
| sley 9¾pc 1992 | 100¾ | 101¼ |
| Quebec 9pc 1992 | 96 | 96½ |
| pc 1987 | 97 | 97¼ |
| nada 9¾pc 1986 | 102¾ | 103 |
| Blodel 9pc '92 | 97¾ | 98 |
| Ferguson 9¾pc 1991 | 102 | 102¾ |
| p 9¾pc 1989 | 101 | 101¾ |
| -Int. Fin. 8¾pc 1992 | 97¾ | 98½ |
| al Board 9pc 1987 | 94¾ | 95½ |
| estminster 9pc 1986 | 102½ | 103 |
| dland 9pc 1989 | 99½ | 100 |
| Komm. Bk. 8¾pc '92 | 96¾ | 97½ |
| 8¾pc 1989 | 97 | 97½ |
| ydro 8¾pc 1992 | 96¾ | 97¾ |
| pc 1986 | 99½ | 100¼ |
| nomics 9pc 1981 | 99½ | 100 |
| uebec 9pc 1995 | 95¾ | 96½ |
| Saskatch. 8¾pc 1986 | 95¾ | 96¼ |
| ntal. 9pc 1987 | 95¼ | 96 |
| pc 1992 | 95¾ | 96 |
| Trust 8¾pc 1989 | 92 | 92½ |
| Enskilda 9pc 1991 | 99¾ | 100¼ |
| pc 1987 | 93½ | 94½ |
| (K'dom) 8¾pc 1987 | 95½ | 96¼ |
| Biscuits 9pc 1989 | 99 | 99½ |
| pc 1987 March | 93½ | 94½ |
| a 7¾pc 1984 | 96 | 96½ |
| ada 7¾pc 1987 | 94½ | 95¼ |
| umbia Hydro 7¾pc | | |
| | 93¾ | 94½ |
| c. 8¾pc 1984 | 98½ | 99½ |
| emical 8pc 1986 | 93¾ | 94¼ |
| pc 1982 | 95¾ | 97¼ |
| pc 1989 | 96 | 96½ |
| pc 1982 | 96½ | 97 |
| pc 1984 | 95¾ | 96½ |
| sell 8¾pc 1984 | 96½ | 97½ |
| on 7¾pc 1982 | 97¾ | 98½ |

| | Bid | Offer |
|---|---|---|
| Kockums 8pc 1983 | 97 | 97¾ |
| Michelin 8½pc 1983 | 99½ | 100½ |
| Montreal Urban 8¾pc 1981 | 98 | 98½ |
| New Brunswick 8pc 1984 | 96 | 96½ |
| New Bruns. Prov. 8¾pc '83 | 101½ | 102½ |
| New Zealand 8½pc 1986 | 97½ | 98 |
| Nordic Invest. Bk. 7¾pc '84 | 95½ | 96 |
| Norsk Hydro 7¾pc 1983 | 97½ | 98 |
| Norway 7¾pc 1982 | 96½ | 97¼ |
| Ontario Hydro 8pc 1987 | 95 | 95½ |
| Singer 8¾pc 1982 | 99½ | 100½ |
| S. of Scotland Elec. 8¾pc 1981 | 99½ | 100½ |
| Sweden (K'dom) 7¾pc 1982 | 96½ | 97½ |
| Swedish State Co. 7¾pc '82 | 96½ | 97 |
| Telmex 9½pc 1984 | 98½ | 99½ |
| Tenneco 7¾pc 1987 May | 93½ | 94½ |
| Volkswagen 7¾pc 1987 | 94½ | 95 |
| **STERLING BONDS** | | |
| Courtaulds 9½pc 1989 | 96 | 96½ |
| ECS 9¾pc 1989 | 100½ | 101½ |
| EIB 9¾pc 1992 | 97½ | 98½ |
| Finance for Industrie 9¾pc 1987 | 97½ | 98½ |
| Fisons 10½pc 1987 | 98½ | 99½ |
| Total Oil 8¾pc 1984 | 97½ | 98½ |
| **DM BONDS** | | |
| Austria 6½pc 1985 | 106½ | 107½ |
| BFCE 7pc 1987 | 103½ | 104½ |
| Denmark 6¾pc 1983 | 104 | 104½ |
| EIB 6¾pc 1984 | 103½ | 106 |
| Grand Met. 7pc 1984 | 100½ | 102 |
| Hydro-Quebec 6¾pc 1987 | 100½ | 101½ |
| ICI 6¾pc 1987 | 105½ | 106½ |
| Montreal 7pc 1987 | 102 | 102½ |
| Norsca Gas 7pc 1989 | 105½ | 106 |
| Norsk Hydro 6¾pc 1989 | 104½ | 105½ |
| Norway 5¾pc 1982 | 103½ | 104½ |
| Shell 6¾pc 1989 | 106 | 106½ |
| Spain 6¾pc 1984 | 100½ | 101½ |
| Sweden 6¾pc 1984 | 105 | 105½ |
| World Bank 6¾pc 1987 | 103 | 103½ |
| **FLOATING RATE NOTES** | | |
| Bank of Tokyo 1984 7 13/16pc | 98½ | 99½ |
| BFCE 1984 7pc | 97½ | 98½ |
| BNP 1983 6¾pc | 99½ | 99¾ |
| CCF 1983 8pc | 99½ | 99¾ |
| CGMF 1984 6 15/16pc | 98 | 98½ |
| Creditanstalt 1984 7¾pc | 95½ | 96½ |
| Credit Lyonnais 1982 6¾pc | 99½ | 99¾ |
| DG Bank 1982 7 13/16pc | 99½ | 100½ |
| GZB 1981 7¾pc | 100½ | 100½ |
| Internat. Westminster 1984 7 15/16pc | 99½ | 99½ |

| | Bid | Offer |
|---|---|---|
| Lloyds 1983 7¾pc | 99½ | 100½ |
| LTCB 1982 6¾pc | 99½ | 99¾ |
| Midland 1982 8pc | 101½ | 102 |
| Midland 1987 7 11/16pc | 99½ | 99¾ |
| OKB 1983 8¾pc | 99½ | 99¾ |
| SNCF 1985 6 15/16pc | 97½ | 98¼ |
| Stand. and Chart. '84 6¾pc | 98½ | 99½ |
| Wms. and Glyns 1984 7pc | 99½ | 99 |

Source: White Weld Securities.

| CONVERTIBLES | Bid | Offer |
|---|---|---|
| American Express 4¾pc '87 | 78½ | 80½ |
| Ashland 5pc 1988 | 89½ | 91½ |
| Babcock & Wilcox 6¾pc '97 | 94 | 95 |
| Beatrice Foods 4¾pc 1992 | 94½ | 96½ |
| Beatrice Foods 4¾pc 1992 | 103½ | 105½ |
| Beecham 6¾pc 1992 | 100½ | 101½ |
| Borden 5pc 1992 | 99 | 101 |
| Broadway Hale 4¾pc 1987 | 73 | 75 |
| Carnation 4pc 1987 | 77 | 79 |
| Chevron 5pc 1988 | 116 | 115 |
| Dart 4¾pc 1987 | 78 | 80 |
| Eastman Kodak 4½pc 1988 | 84 | 86 |
| Economic Labs. 4¾pc 1987 | 77½ | 79½ |
| Firestone 5pc 1988 | 80 | 82 |
| Ford 6pc 1988 | 80½ | 82½ |
| General Electric 4¾pc 1987 | 79 | 81 |
| Gillette 4¾pc 1987 | 76½ | 78½ |
| Gould 5pc 1987 | 104 | 106 |
| Gulf and Western 5pc 1988 | 75½ | 77½ |
| Harris 5pc 1992 | 131 | 133 |
| Honeywell 6pc 1986 | 85½ | 87½ |
| ICI 6¾pc 1992 | 86 | 87 |
| INA 6pc 1997 | 93½ | 94½ |
| Inchcape 6¾pc 1992 | 104½ | 105½ |
| ITT 4¾pc 1987 | 74½ | 76½ |
| Jusco 6pc 1992 | 104½ | 105½ |
| Komatsu 7¾pc 1990 | 100½ | 101½ |
| J. Ray McDermott 4¾pc '87 | 159½ | 161½ |
| Matsushita 6¾pc 1990 | 118½ | 117½ |
| Mitsui 7¾pc 1990 | 107½ | 109½ |
| J. P. Morgan 4¾pc 1987 | 94 | 96 |
| Nabisco 5¾pc 1988 | 97 | 99 |
| Owens Illinois 4¾pc 1987 | 114 | 116 |
| J. C. Penney 4¾pc 1987 | 74½ | 76½ |
| Revlon 4¾pc 1987 | 107 | 109 |
| Reynolds Metals 5pc 1988 | 82½ | 84½ |
| Sandvik 6¾pc 1988 | 103 | 104 |
| Sperry Rand 4¾pc 1987 | 82½ | 84½ |
| Squibb 4¾pc 1987 | 76½ | 78½ |
| Texaco 4¾pc 1988 | 76 | 78 |
| Toshiba 6¾pc 1992 | 96½ | 97½ |
| Union Carbide 4¾pc 1982 | 89 | 91 |
| Warner Lambert 4¾pc 1987 | 79 | 81 |
| Warner Lambert 4¾pc 1988 | 72½ | 74½ |
| Xerox 5pc 1988 | 76 | 78 |

Source: Kidder, Peabody Securities.

# BOOKS

## Constructing our world

BY C. P. SNOW

**Russian Thinkers** by Isaiah Berlin, edited by Henry Hardy, and with an introduction by Aileen Kelly. The Hogarth Press, £6·95, 336 pages

This is the first of four volumes in which Dr. Henry Hardy is collecting Sir Isaiah Berlin's essays. Even by itself, *Russian Thinkers* would justify the enterprise, certainly for anyone even remotely interested in Russian literature. The complete collection will give us all access to one of the most lucid, eloquent and humane of minds, and that will be a blessing.

To judge by *Russian Thinkers* which probably isn't unfair, for here Sir Isaiah is on one of his home grounds, there will be left some minor dissatisfactions at the end. Perhaps it is better to mention these first, before we go on to what can be learned from this book, and what, so far as I know, cannot be learned from any other book in English. The mumble of dissatisfaction is that, on paper, Berlin is a sprinter, not a distance runner.

This doesn't matter fundamentally: his hundred yards is usually better than another's mile. But it does leave some irritating consequences. Some of these short and brilliant pieces in part repeat themselves. The two Herzen essays would gain from being combined into a larger whole, and so would the two Tolstoys.

Further. Berlin is one of the most fluent talkers alive, and some of these essays appear to have been declaimed more or less off the cuff. No one else could have done them so articulately, but Berlin knows the costs of this method, and makes this clear in his preface. Even with so disciplined and orderly a mind, oral disquisitions, which are far more agreeable to hear than the best-read lecture, do tend to ramble.

More seriously, it would be good to see Sir Isaiah arguing out his case about the merits and demerits of plural or monist societies, and plural or monist individual minds. It is clear enough, and we should all agree, that plural societies have overwhelming advantages in amenities, and in many material and creative senses. Yet, if one looks round the world, plural societies are steadily losing ground both in numbers and influence. Not many observers would like to bet that in a generation they won't have lost more ground still. Berlin, for all the power and acuteness of his critical mind, sometimes seems to retain the hope of the old Russian liberals whom he understands so well. He sees every prospect for the ultimate success of plural societies. It would be encouraging if he would give us reasons for such a hope.

One last quibble. He has a taste, which he is liable to disapprove of in others, for large cheerful journalistic dichotomies, such as his well-known division of thinkers into Hedgehog and Fox. Such dichotomies can be fun, and can even stimulate useful thought, but he does push this one rather too far. And, even granted the validity of the division, some of his examples seem oddly chosen. He ranks Dostoevsky, with whom he is never so much at ease as with the other 19th century Russians, as a Hedgehog, that is, one who knows one thing and has his own invulnerable mental cosmos. I am sure that this is a misunderstanding. At the root of his nature, it is true, Dostoevsky was a whole and unified human being, as Tolstoy wasn't: but this at the root of his *nature*, his emotional depths, in particular his sexual nature (just compare his marriage with Tolstoy's). There was nothing like such a wholeness, or hedgehog quality, in Dostoevsky's *thought*. He could and did believe two contradictory things at once, provided that they were both extreme. Did he believe in God? Like some of his own characters, he was never sure. In *The Brothers Karamazov*, he wrote the most wonderful case for repudiating faith in the whole of literature. His patron Pobednostsev told him to write another chapter demolishing Ivan Karamazov and re-establishing the Orthodox doctrine. Dostoevsky tried. Did he succeed? Pobednostsev had sombre doubts. The author himself may have had more than doubts.

Quibbles dismissed, these essays are not only valuable they are essential to anyone who really wants (a) to understand Russian literary development, both before and after the Revolution (there is no genuine discontinuity); (b) to get some idea of 19th-century liberal thought in Russia; (c) to get a similar idea of to-day's liberal thought in Russia; (d) to realise the possible future of our own present political attitudes. Berlin is, as one would expect marvellously comprehending about the well-known 19th-century liberals, Turgenev, one of his favourite writers, and the much stronger and more sympathetic personality, Herzen.

Berlin performs the astonishing feat of putting at least a persuasive gloss on how Herzen, in general full of deep realistic pessimism, and Tolstoy, the greatest expert at seeing the lie in life, could manage to believe with Rousseau that the evil in man comes not from himself but entirely from what society does to him. Very odd. It made them both cherish the great Russian romantic passion for the goodness of the Russian peasant. Yet when Tolstoy wrote about Lenin's peasants in *Anna Karenina*, he saw them ruthlessly for what they were.

It comes naturally to Berlin to be at one with Herzen. Give or take a century or so, they could have conferred happily together. It must have taken more of an exertion of empathy to be as affectionate and admiring with the much sterner and more radical Vissarion Belinsky. That essay ought to be read aloud each term to every class on comparative literature extant. Belinsky was, out of comparison, the most influential literary critic who has ever lived. No other literature has had anything like it. Unlike any other critic so far known, he helped create a literature which could succeed Pushkin and Gogol. He not only helped create it, but he also gave it a direction, in humanity as well as social concern, which still endures.

As a private satisfaction, I was delighted to find Berlin having good words for Nicolai Nekrasov. Nekrasov was a fine poet. He was also the most generous nurse of others' talent, and a wonderful judge of it. He has the distinction of having spotted the genius in the first scripts of both Dostoevsky and Tolstoy, and of having promptly published them. In our own time, his example was followed by another fine poet and splendid talent-spotter, Alexander Tvardovsky. That particular tradition, the passionate desire to find talent, is the thing I most envy in literary Russia.

When one reads Berlin on the liberals of the 1840s and then again of the 1860s and 1870s, one realises, if one hasn't done so before, that there is no progress in political attitudes. Many of the radicals of the 1870s made utterances which were indistinguishable from those of our own Tribune Group. The same, often touching, hopes. The same contradictions. Substitute "working people" for "peasants," and an idealistic Tribune orator repeats what Russians were saying exactly a hundred years ago. What is equality? Equality is what the peasants in their wisdom know. What is excellence? It is what the peasants in their goodness will decide. The 1870s Radicals didn't come to anything, and finally were assimilated into a new party, the Social Revolutionaries. One of Lenin's first steps was to eliminate the Social Revolutionaries.

Trevor Humphries

Conor Cruise O'Brien presents the Duff Cooper Memorial Prize to E. R. Dodds, formerly Regius Professor of Greek at Oxford, for his autobiographical volume "Missing Persons" published last year by the Clarendon Press. The prize is awarded for the book which, in the opinion of the judges, Duff Cooper would have most enjoyed reading.

## Those double standards

BY RACHEL BILLINGTON

**Man and Woman: A Study of Love and the Novel 1740-1940** by A. O. J. Cockshut. Collins, £4.50. 217 pages

**The Literature of Change: Studies in the 19th century Provincial Novel** by John Lucas. The Harvester Press/Barnes and Noble, £8.50. 214 pages

A hundred years ago women weren't free to say what they liked and novelists weren't free to write what they liked. Both restrictions are now lifted. A married woman is free to say she wants a lover, take a lover, say she has a lover and then, if she fancies it, ask the state to endorse her position with a divorce. The novelist is free to follow such a woman into bedroom or bathroom, or to draw from her head the most malignant, even unnatural thoughts. Woman is no longer intrinsically virtuous, the novelist is no longer expected to sit in moral judgment.

This change has affected the two major areas in which the novelist works: the basic human relationship between man and woman and the relationship between woman (and man) and society. It is appropriate to find two books of literary criticism reviewing the restricted novels of the past from each of these angles. Mr. Cockshut deals with the human heart in *Man and Woman: A Study of Love and the Novel 1740-1940* and Mr. Lucas deals with woman/man in society in *The Literature of Change*.

Both books are readable, academic in their information but not in their approach. Mr. Cockshut, in particular, triumphantly avoids the critic's need to announce that he is going to say something before saying it. Perhaps because of this concentration he is able to cover a wide spectrum of writers without any feeling of superficiality. These include Sterne, Jane Austen, Thackeray, Mrs. Gaskell, Hardy, Gissing, Lawrence and Forster.

Mr. Cockshut is stringent about the double standard of morality out of which were created "heroines whose mentors had never seriously asked themselves which of their precepts were religious and really moral and which were dictated by worldly prudence." He tells us that, "The weakness of the English fictional tradition is to be found in the fact that, often, the authors are as confused as their characters."

This stern view, coupled with the disarming declaration that he has been "a convinced Catholic for over thirty years and a happily-married man for nearly twenty-five" made me slightly anxious for the frailties of Love. Luckily, Mr. Cockshut (apart from one statement that Catherine's love for Heathcliffe is not sexual on which any teenage reader could put him right) is most sympathetic to beauty and passion. Becky Sharp and Bathsheba Everdene have never had a greater admirer. Indeed his sections on Hardy's heroines and, even more, on Thackeray are particularly inspiring. Unconscious hypocrisy, he suggests, is the clue to why poor Amelia will always pale when Becky comes on stage.

In his discussion of *Ruth* by Mrs. Gaskell, he shows how a personal morality tangled with the conventions can produce an uneasy alliance. Ruth's sexual awakening is glowingly described but only in terms of admiration for the mountains of North Wales. Mrs. Gaskell could never bring herself to uncover enough of female sexuality to decide whether she wants Ruth "a noble penitent or virtue unsullied."

Mr. Lucas also finds the subject of Hardy's heroines irresistible. He explains their attraction in terms of a vision. Man (and also woman) falls in love with a vision which is self-created out of their own needs and cannot survive reality. This idea seems near the classic description of falling in love—as distinct from simply loving—but Mr. Lucas supports it with persuasive quotations and points out how 'nebulous' used in connection with 'a loved woman' is one of Hardy's favourite adjectives. He is on firmer ground with his examination of the social movements in, for example, *The Mayor of Casterbridge*. Elizabeth Jane (or Bathsheba, Eustacia or even Tess) may lose some of their romance when shown to be obsessively concerned with their social position but there is no doubt that this concern was at root in the struggle Hardy's heroines waged with their passionate nature.

Mr. Lucas also deals with Mrs. Gaskell and William Hale White who wrote as Mark Rutherford. Like Mr. Cockshut, he notes that 'The confusions and contradictions aren't only in the heroines but frequently in their creators as well.' But he continues, 'Indeed in all three novelists there seem to me to be splits, anarchic tendencies that fight against conventionalities and out of which important literature comes.'

This view seems to be supported by the worrying fact that most current readers still choose a favourite novel from the last century. Mr. Cockshut says, referring again to Victorian double standards, 'The price of Decency can be too high.' Yet what have we put in its place? The voice of the present-day heroine seems either stridently self-justifying or whiningly self-pitying compared to the heroines of the past. The uncomfortable idea arises that it may be better to be saddled with an unreal convention than too much freedom.

Perhaps Mr. Cockshut would not have been so strict with the 'weakness' of the novel past if he had continued his fascinating study into the novel present.

## Pirates and others

BY STUART ALEXANDER

**The World Encompassed** by Derek Wilson. Hamish Hamilton, £5.95. 240 pages

**Harry Morgan's Way** by Dudley Pope. Secker and Warburg, £6.90. 379 pages

**The Life and Death of H.M.S. Hood** by Edwin Hoyt. Secker and Warburg, £6.90. 379 pages

**The Mitchell Beazley Atlas of the Oceans.** Mitchell Beazley, £14.95. 208 pages

**Good Enough for Nelson** by John Winton. Michael Joseph, £4.50. 239 pages

**Panorama of Gaff Rig** by John Leather and Roger Smith. Barrie and Jenkins, £7.95. 112 pages

There can be few characters in England's history to rival Sir Francis Drake as a romantic hero. His mixture of bravado, gallantry and rule-bending cannot fail to appeal to every schoolboy, while his place in history as an adventurer and navigator puts him at one of the turning points in Britain's emergence as a great power and the erosion of Spanish dominance in central and southern America.

For those who can face tucking into yet another historical biography, Derek Wilson has written an enjoyable yet detailed account of Drake's circumnavigation of 1577 to 1580.

*The World Encompassed* is a lively account of a lively man, carefully researched and well constructed.

On the other side of the central American isthmus another Englishman was making his name, more as a brigand pure and simple than Drake, who hid his piracy behind a cloak of official sanction. Harry Morgan was really more soldier than seaman who became accepted leader of a fearsome band of cut-throats only to fall from grace after a knighthood, lose his position of power, and end his life in comparative ignominy.

Morgan's organisation of constant, wide-scale harassment of the Spanish empire is ably reconstructed by Dudley Pope. *Harry Morgan's Way* is a vivid account of a larger-than-life period in England's overseas history. It teems with both adventure and pathos, with glory and despair.

Still on a historical note the ill-fated Hood is the subject of Edwin Hoyt's latest naval history. In *The Life and Death of HMS Hood*, Hoyt again seems to rely heavily on the ship's log and court records for his material.

In doing so he has produced a slightly unbalanced account of the life of this great ship. Although the book lacks bite because it shies away from asking the critical question, it provides a comprehensive summary of a tragedy that left the country stunned. Over 1,40[...] men were lost and there were only three survivors when she went down.

For those who would like to spend all their book tokens on a first-class maritime reference book, then the *Mitchell Beazley Atlas of the Oceans* is the answer. It will appeal to the young enthusiast as an encyclopaedia which is presented in a modern, well-written way but without being too academic. It is more practical than many of its coffee-table rivals, but is less weighty and impressive.

On a much brighter note John Winton has produced the latest of his light-hearted books based on life at Dartmouth naval training college. *Good Enough for Nelson* bowls along in the easy but wickedly barbed style expected of a man who has been through it all himself and lived to laugh at the tale. Life has moved on since the original *We Joined the Navy* and John Winton does not hesitate to give present-day service concern over defence spending cuts to make additional capital out of poking fun at Labour politicians. But unfortunately he allows the farce to lose credibility and falls for the temptation of tying up every loose thread with a happy ending.

There is still a body of opinion on the Hamble, and no doubt elsewhere, which holds in contempt the takeover of the yacht-racing scene by amateur crews. As far as they are concerned yacht-racing is a serious business which should be left to the professionals.

Although they do not mean to, John Leather in his descriptions and Roger Smith through an extensive library of photographs bring back that largely previous era in a gloriously nostalgic mix of folklore and illustration entitled *Panorama of Gaff Rig*.

To be fair, it also brings us up to the present, though the dwindling size of the boats involved is a sad reflection on the rig's relegation to the realms of the curiosity. The book is, however, warm and enjoyable, one to pick up again and again, only to wonder at racing with over 10,000 square feet of sail.

## Glory of Bramante

BY H. A. N. BROCKMAN

**Bramante**, by Arnoldo Bruschi, translated into English by Peter Murray. Thames and Hudson, £12.50. 200 pages

This is a meticulously researched book on the work of a great Renaissance architect of whose wide-ranging creations relatively little is known. There are, for instance, some 3,000 books on Michelangelo between 1510 and the present day and a relatively small bibliography on Bramante. The present book is an abridged version of the Italian original which ran to over 1,000 pages. Even so the abridgement bulges with extremely condensed detail which does not make for easy reading and must have produced much difficulty in lucid translation, here successfully overcome.

In a critical foreword Peter Murray considers that "The High Renaissance was dominated by Bramante even more than by Raphael or Michelangelo." Sir Nikolaus Pevsner, in his *Outline of European Architecture*, does not go quite so far as this and writes that they were "the three greatest architects of the Renaissance, and none of them," he adds, "was an architect by training."

Bramante's great patron was Pope Julius II who "sought to emulate the greatness of the Roman emperors on a political level, while Bramante tried, with a 'universal' architecture, to restore the physical atmosphere of ancient Rome, with all its signs of greatness."

Bramante was, architecturally, something of a contradiction. On the one hand his earlier works show an amazing skill in the use of false perspectives external as well as internal which contribute both in scale and decoration to the interest of his designs. In the most outstanding, the church of S. Maria Presso S. Satiro he devised a false choir beyond the crossing by a very slight recession at the east end which, with pilasters in echelon create the complete illusion of a barrel vaulted choir and apse; "If you stand in the right position," says Pevsner.

Upon the other hand his most famous work, the Tempietto of S. Pietro in Montoria, on the supposed site of St. Peter's crucifixion, is a severe and perfect exercise, using the Tuscan Doric order, a small circular colonnade surmounted by a dome, exhaustingly analysed by the author.

Bramante's greatest work never came to fruition; the design for an entirely new St. Peter's. Some of his design was built, but the whole was greatly altered into the ungainly mass that is there now.

His influence was undoubtedly very great, but during the St. Peter's development he was constantly harassed by the jealousy of Michelangelo who observed him with contempt and envy.

Bramante was a nervous and arrogant man who, according to Vasari "lived in the greatest splendour, doing honour to himself." He cared not, according to a contemporary, what he spent on good living.

The book ends with a list of his known works of which there are 75 properly authenticated, and a bibliography.

## Irish bard in song

BY AUGUSTINE MARTIN

**Tom Moore, The Irish Poet** by Terence de Vere White. Hamish Hamilton, £7.50. 281 pages

There was almost always a vivid Irishman at the centre of literary London—Swift, Goldsmith, Sheridan, Moore, Wilde, Shaw, MacNeice . . . Several of them like Swift, Burke, Sheridan and Shaw, were political too. Moore, who was musical as well, took up the running from Sheridan—who died of drink and debt in 1816—and lived to write his biography. No party at Holland House was complete without Moore at the piano mourning the fate of Erin in his plangent *Melodies*. He was the satirist of the Regent, the friend and biographer of Byron, the author of Lalla Rookh for which he received the staggering payment of £3,000 before a copy of it was sold.

The bicentenary of Moore's birth will occur in 1979 and it is splendidly heralded by Terence de Vere White's brilliant and thorough biography. What emerges from his book is a judicial and balanced estimate of Moore's literary achievement and an affectionate but just portrait of the man. Of the work Mr. White sensibly concludes that the Irish Melodies, in which words and music are so exquisitely fused, are his most salient triumph. After these comes his *Life of Byron*. Without these, the critic rightly insists, Moore's claim to fame as a writer would have been modest enough.

As a personality, as one who moved easily among the most dazzling circles of his time, as the intimate of Robert Emmet, of Byron, Shelley and Scott and of nearly every significant figure of the Whig Establishment, this grocer's son from Dublin was in any human sense remarkable. It is in his relationships that he reveals himself best, and it is in the intricate account of these relationships that Mr. White's book excels. Moore clearly was a man who combined incomparable charm and touching sincerity, with a fatal capacity for being misunderstood and maligned. Byron's playful jest that Moore "dearly loves a lord" has passed into folklore. We never hear of a passage like this from Byron's journal:

> There is nothing Moore may not do, if he will but seriously set about it. In society he is gentlemanly, gentle, and altogether more pleasing than any individual with whom I am acquainted. For his honour, principle and independence, his conduct speaks "trumpet-tongued." He has but one fault—and I that daily regret—he is not *here*.

Mr. White does not neglect the poet's failings and defects. He puts them in a just perspective. When in doubt he is nobly and delicately partisan. He likes Moore, he understands him, and to my mind he gets the story right.

## In Short—Brave girl and crews

**Pocahontas** by Frances Mossiker. Victor Gollancz, £7.95. 396 pages

Pocahontas was the first American girl to twist her doting Daddy round her little finger. Perhaps for that reason alone, she has passed into her nation's folklore. (She it was who saved Captain John Smith from the sacrificial clubs of her father Powhatan's braves.)

She has become all things to all Americans—the subject of innumerable burlesques, novels, plays. To Vachel Lindsay she is the Great American Earth Mother; more elaborately to Hart Crane, the Natural Body of American Fertility.

The facts of the case are, it seems, more erotic than we learned at school. Those First Fathers of Virginia took more than an anaemic interest in other things besides tobacco, and only with the Puritans came the ban on racial intermixture.

Not so well-known is the English connection: how, as Lady Rebecca Rolfe, Pocahontas came to London, met Royalty, endured our Northern fogs, died and was buried at Gravesend.

Frances Mossiker tells a good story with scholarship and sensitivity.

When she writes "The white man and red woman, aswoon with love and terror, remind us that at least once in our [U.S.] history there came a flicker of hope that on this continent there would be no cause to mourn man's inhumanity to man," the sentiment is valid, the style feminine—which, after all, best befits her subject.

JOHN DUNSTAN

**Battleship** by Martin Middlebrook and Patrick Mahoney. Allen Lane, £5.95. 366 pages

The subtitle of this book is "The Loss of the Prince of Wales and the Repulse," but its title is a fair representation of its contents. The loss of those two ships off the coast of Malaya on December 9, 1941, was the most shattering single piece of news I remember in the whole course of World War II and, even though Vanguard was started subsequently, their sinking by aircraft alone represented the end of the battleship era. Much of the blame for the loss has been attributed to Admiral Sir Tom Phillips, and it does seem to be the case that if he had broken wireless silence and called for aerial assistance at an earlier stage, the result of the engagement might have been different. However, this is not certain. The pattern of the war in the Pacific, between the Americans and the Japanese was that battles between battleships and aircraft boardly resulted in the loss of the battleships. There is evidence of much research here, in particular in digging out the vivid descriptions by survivors who, in the case of the Prince of Wales, numbered nearly four out of every five members of the crew. Doubtless, people will continue to write about these tragic matters, but it is not easy to see what more they can add.

ALLAN TODD



## Crimes

BY WILLIAM WEAVER

**Death of an Expert Witness** by P. D. James. Faber. £3.95, 265 pages

Mrs. James allows herself more space than the average crime novelist, but in her books—and especially in this new one, arguably the finest of the series—there are no wasted words, none of the self-indulgent digressions about socialism or the policeman's lot or public morality that mar even some of the most successful works of other authors in the genre. Here, the additional words are used to refine the portrayal of characters, to add nuance to the distinctive setting, to extend the context of the malefactions. Commander Dalgleish, her detective-protagonist, has his individualizing features (he writes and publishes poetry, for one thing), but they are not mere quirks, tacked on for colour: they are essential to his understanding of the suspects and to his perception of the crime's genesis.

The East Anglian Forensic Laboratory—as the author insists in a prefatory note—is a complete invention. Well, it is also a brilliant one; and the various scientists and staff who people the place have the sometimes jarring ring of reality. There is only one problem for the reader: he becomes more involved with the characters, precisely because of their exceptional humanity, and he is really unhappy when they are killed or, inevitably, caught.

**Murders Anonymous** by Elizabeth Ferrars. Collins. £3.25, 195 pages.

Another of Mrs. Ferrars's deceptively gentle domestic stories of hatred and murder. Matthew, a somewhat bumbling professor, did not kill his wife; but someone anonymously accuses him of having cooked up his iron-clad alibi with his brother-in-law. The accusations pursue him even when he leaves London for a stay with his sister and her husband. In their isolated seaside village, passions still run high, murderously. Once again, the reader is grateful for Mrs. Ferrars's neat prose, as carefully laid out as her plot.

**Letter from the Dead** by Anna Clarke. Collins. £3.25, 180 pages

This book represents something of a departure from Miss Clarke's previous novels, most of them with a period setting and, the best, with a literary ambiance. Actually, there is a writer in this book, and a nasty piece of work he is too; but happily, he is not the central figure. For the most part, we are in a country vicarage, where the widower vicar lives with his outspoken, nubile daughter. The plot has a certain Victorian quality (there is a purloined letter, and a matter of mysterious parentage is central to the story), but it is convincing and, as always with this writer, delightfully, crisply written.

**The Ross Forgery** by William H. Hallahan. Gollancz. £3.75, 204 pages.

Most of this book is wonderful. Ross, a master artisan, a printer with a passion for typefaces, is engaged to produce a literary forgery. At first it seems a mere rich man's whim, harmless if dishonest. But strange things start happening. Everybody is shadowing everybody else. Shots are fired. The solution, when it comes, is too rapid, confusing and unsatisfactory. But the novel is well worth reading for the splendid chronicle of the forgery itself.

## U.K. ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output, engineering orders, retail sales volume (1970=100); retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

| | Indl. prod. | Mfg. output | Eng. order | Retail vol. | Retail value | Unem-ployed |
|---|---|---|---|---|---|---|
| **1976** | | | | | | |
| 4th qtr. | 103.2 | 104.8 | 106 | 108.5 | 211.9 | na |
| **1977** | | | | | | |
| 1st qtr. | 103.5 | 105.6 | 111 | 105.0 | 217.1 | 1,330 |
| 2nd qtr. | 102.2 | 103.1 | 104 | 103.9 | 221.5 | 1,350 |
| 3rd qtr. | 102.4 | 103.1 | 108 | 106.8 | 235.7 | 1,418 |
| July | 102.8 | 104.3 | 102 | 107.0 | 232.8 | 1,394 |
| Aug. | 102.7 | 103.5 | 117 | 107.2 | 237.6 | 1,414 |
| Sept. | 102.7 | 103.7 | 104 | 106.2 | 236.6 | 1,446 |
| Oct. | 101.4 | 102.4 | | 105.4 | 234.4 | 1,433 |
| Nov. | | | | 106.1 | 237.2 | 1,433 |
| Dec. | | | | | | 1,428 |

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1970=100); housing starts (000s, monthly average).

| | Consumer goods | Invst. goods | Intmd. goods | Eng. output | Metal mnfg. | Textile etc. |
|---|---|---|---|---|---|---|
| **1976** | | | | | | |
| 4th qtr. | 115.3 | 99.0 | 104.4 | 100.4 | 85.2 | 103.6 |
| **1977** | | | | | | |
| 1st qtr. | 115.9 | 100.9 | 106.2 | 101.5 | 84.2 | 105.1 |
| 2nd qtr. | 112.5 | 99.7 | 104.9 | 100.1 | 80.8 | 99.2 |
| 3rd qtr. | 114.8 | 99.4 | 104.8 | 100.2 | 83.7 | 102.8 |
| July | 115 | 100 | 105 | 101 | 87 | 104 |
| Aug. | 114 | 100 | 105 | 100 | 79 | 101 |
| Sept. | 114 | 99 | 105 | 100 | 85 | 103 |
| Oct. | 114 | 99 | 101 | 100 | 77 | 102 |
| Nov. | | | | | | |

EXTERNAL TRADE—Indices of export and import volume (1970=100); visible balance; current balance; oil balance; terms of trade (1970=100); exchange reserves.

| | Export volume | Import volume | Visible balance | Current balance | Oil balance | Terms trade |
|---|---|---|---|---|---|---|
| **1976** | | | | | | |
| 4th qtr. | 141.5 | 138.2 | −982 | −366 | −1,002 | 79.1 |
| **1977** | | | | | | |
| 1st qtr. | 141.9 | 142.4 | −930 | −516 | −816 | 80.4 |
| 2nd qtr. | 149.9 | 144.4 | −598 | −280 | −725 | 80.1 |
| 3rd qtr. | 153.7 | 141.9 | − 50 | +399 | −587 | 81.5 |
| July | 153.5 | 149.1 | −241 | − 92 | −199 | 79.6 |
| Aug. | 152.0 | 131.7 | +140 | +290 | −183 | 82.0 |
| Sept. | 155.7 | 144.8 | + 51 | +201 | −205 | 83.0 |
| Oct. | 150.0 | 140.4 | + 46 | +191 | −231 | 83.9 |
| Nov. | 142.9 | 133.2 | + 73 | +218 | −153 | 85.3 |
| Dec. | | | | | | |

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m.); building societies net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

| | M1 % | M3 % | Bank advances % | DCE £m. | BS inflow | HP lending |
|---|---|---|---|---|---|---|
| **1976** | | | | | | |
| 4th qtr. | 3.9 | 8.8 | 14.4 | 1,417 | 152 | 327 |
| **1977** | | | | | | |
| 1st qtr. | − 3.6 | −10.2 | 8.3 | −1,882 | 492 | 339 |
| 2nd qtr. | 16.8 | 15.3 | 0.8 | 809 | 1,290 | 352 |
| 3rd qtr. | 34.4 | 14.8 | 20.2 | −236 | 1,084 | 394 |
| July | 19.5 | 12.0 | 26.2 | −293 | 320 | 363 |
| Aug. | 23.0 | 9.4 | 24.0 | − 69 | 302 | 417 |
| Sept. | 34.4 | 14.8 | 20.2 | 126 | 462 | 402 |
| Oct. | 35.8 | 17.5 | 0.0 | 299 | 590 | 386 |
| Nov. | 41.5 | 19.8 | 2.1 | 289 | 554 | 420 |
| Dec. | | | | | | |

INFLATION—Indices of earnings (Jan. 1976=100), basic materials and fuels, wholesale prices of manufactured products (1970=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec 1971=100).

| | Earn-ings* | Basic matls.* | Whsale. mnfg.* | RPI* | Foods* | FT* comdty. |
|---|---|---|---|---|---|---|
| **1976** | | | | | | |
| 4th qtr. | 109.9 | 329.9 | 233.9 | 165.8 | 172.7 | 250.8 |
| **1977** | | | | | | |
| 1st qtr. | 112.5 | 341.5 | 248.0 | 174.1 | 181.7 | 276.4 |
| 2nd qtr. | 114.5 | 347.8 | 259.0 | 181.9 | 191.1 | 250.0 |
| 3rd qtr. | 116.1 | 341.1 | 267.7 | 184.7 | 192.1 | 239.8 |
| July | 116.2 | 344.6 | 265.8 | 183.8 | 192.0 | 243.2 |
| Aug. | 115.7 | 339.5 | 268.0 | 184.7 | 191.9 | 239.9 |
| Sept. | 116.5 | 339.1 | 269.2 | 185.7 | 192.5 | 241.6 |
| Oct. | 117.9 | 333.8 | 271.0 | 186.5 | 192.3 | 236.38 |
| Nov. | | 330.2 | 271.8 | 187.4 | 192.9 | 238.34 |
| Dec. | | 328.9 | 272.3 | | | 234.28 |

*Not seasonally adjusted.

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FINANCIAL TIMES REPORT

Thursday January 12 1978

# South-West Wales

## ...teel ...olds ...ne ...ey

**Robin Reeves,**
*...h Correspondent*

...TH-WEST WALES is, in a ...ber of ways, a smaller ver... of Wales itself. Down in ... south, what were once ...ibed as the "cathedrals" ...avy industry dominate the ...cape of West Glamorgan: ... by side with large tracts of ...ict land—witness to the ...hat this area of Wales was ...dle of the industrial revo...n. Moving towards the ... and west, into the new ...y of Dyfed, heavy industry ...ally gives way to sparsely ...ated rural Wales with its ...cteristic small farms, ...es and towns, set against a ...loth of sheep-dotted and ...-covered hills and moun...

...e region is bounded on two ... by the sea to produce a ...ine the beauty of which ... comparison with any in ...orld, and a unique feature, ...rd Haven, one of the best ... water anchorages in ...ern Europe.

...e natural capital of the ...n, Swansea, is situated in ...uth-east corner. Besides ... by far the biggest urban ..., with its own university ...e, comprehensive shop... facilities, a "high-speed" ... link with London, and ...wn airport, Swansea has also developed very much as a distribution centre for the rest of south-west Wales. Road communications are much better too, with the M4 now sweeping past Swansea well into south-west Wales.

But at the same time, a number of other towns, including Aberystwyth, Cardigan, Carmarthen, Haverfordwest, Lampeter, Llanelli, and Milford Haven are important local centres in their own right. Aberystwyth has the biggest concentration of academic institutions in Wales. Apart from the oldest constituent college in the University of Wales and the National Library of Wales, the town also boasts the Welsh colleges of Agriculture and Librarianship, and the world-renowned Welsh plant breeding station.

Carmarthen is the administrative capital of the new county of Dyfed, Haverfordwest is still the commercial centre of former Pembrokeshire, though industrial development is concentrated around Milford and Pembroke Dock while Llanelli, whose industrial experience in tinplate goes back more than a century and a half, is renowned throughout Wales for its staunch local pride, its rugby team and unique Welsh dialect.

## Language

Politically too, south-west Wales is a microcosm of the Welsh political spectrum. Industrial West Glamorgan continues to send a strong contingent of Labour MPs to Westminster, including Mr. John Morris, the present Secretary of State for Wales. Further west in Dyfed, the former counties of Cardigan, Carmarthen and Pembroke are represented respectively by a Liberal, Plaid Cymru and Conservative MP.

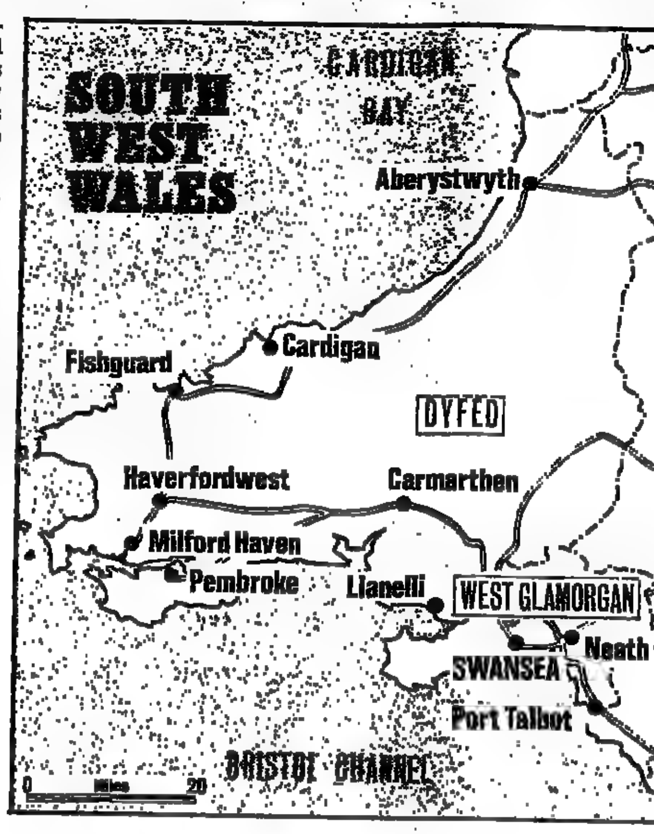
Culturally, the Welsh language though under pressure remains the first language of the majority in rural areas, with the historic exceptions of the southern part of the Gower peninsula and south Pembrokeshire ("little England beyond Wales"). Less well known is that Welsh is also still widely spoken in the industrial valleys of the region, inland from the coastal belt around Swansea.

**Politically and economically South-west Wales represents a microcosm of the Principality itself. But its future success depends to a large extent on the fortunes of British Steel at Port Talbot.**

When it comes to the economy, the experience of south-west Wales has generally been a little different, and certainly less traumatic, than in other parts of the principality. In the 1920s and 1930s the area emerged relatively unscathed from the effects of the Depression. The markets for iron and steel and tinplate stayed relatively buoyant in the pre-war years and even the west Wales coal valleys worked on, whereas whole towns to the east in mid-Glamorgan were laid idle. The difference is that the West Wales coalfield is rare in Europe as a source of top quality anthracite for which demand never really slackened whereas further east dry steam coal was losing out permanently to oil.

The dominant industrial trend in the post-war period has been the expansion of steel making and other metal industries and the development of the Milford Haven oil complex. Anthracite production has continued steadily, thanks to its having a stable market as smokeless domestic fuel, even if it now provides fewer jobs. But it is still a significant source of local employment and providing the necessary investment continues to flow, it will remain so for many years to come.

But side by side with the growth of these heavy industries has always been a need to broaden and diversify the base of the south-west Wales economy, both to reduce local unemployment, which in Dyfed at least has always been above the national average, and to offset the run down of employment opportunities in coal mining and agriculture.




Five years ago everything appeared to be moving in the right direction. Investment in a wide range of light industries was flowing into the area. The long-term future of the steel making industry seemed assured when BSC announced its intention to double the capacity of Port Talbot to 6m. tonnes a year by the 1980s. To the west, the Milford Haven area, already the site of five oil tanker terminals and four refineries (23 per cent. of U.K. capacity) was looking forward to the arrival of Celtic Sea oil.

To-day, the picture is somewhat less rosy. The final go-ahead for the Port Talbot investment of £835m.—the biggest ever by BSC—has still not been given. This is inevitably giving rise to a good deal of anxiety locally. The whole future prosperity of West Glamorgan is felt to be bound up in a positive decision. The plant itself employs 13,000 and at least another 40,000 jobs are estimated to be dependent, either directly or indirectly, on the expansion for their long-term security. Linked too, is the most expensive coal investment ever contemplated in South Wales, the sinking of a new mine in the Margam area to exploit at least 31m. tonnes of coking coal buried right on the doorstep of the Port Talbot complex.

As for Celtic Sea oil, the experience of south-west Wales has been akin to that of an expectant mother who prepares with some apprehensions for the big day, only to find that she is not pregnant after all. The prospects for oil and gas in the Celtic Sea are by no means considered a dead duck—far from it—but the relinquishing of licence blocks by a number of companies in the past year has inevitably been a depressing experience.

Indeed, the Milford Haven-Pembroke dock area is something of an unemployment black spot at the moment with 15 per cent. of the workforce on the dole. Local councillors have been pressing the Government to designate it as a special development area. However, the request is not expected to be granted, not least because of the extra cost it would entail in Government grant towards major developments which should greatly improve local job prospects. These are the Gulf-Texaco decision to invest £290m. in a new catalytic cracker and Amoco's announcement yesterday that it will spend about £75m. on its cracker. Special development status would put up the rate of grant from 20 to 22 per cent., meaning another £6.4m. from Government funds towards the Texaco project and another £200,000 for Amoco.

The other important development is the proposal by the B and L shipping line to switch its Cork car ferry terminal from Swansea to Pembroke Dock. The plan is the subject of strong rearguard lobbying in Swansea. There is also some concern in the Milford area that, combined with the cracker project, rapid building of the new terminal will produce a short-term swelling in the labour force for construction, only to leave the area eventually with an even higher level of unemployment. This has been past experience.

## Boost

That said, it is widely recognised that the terminal project is the best piece of employment news Pembroke Dock has received since its naval dockyard closed in 1926. It would provide not only direct employment, but give an all-the-year-round boost to the service and accommodation industry in the town and surrounding areas.

Elsewhere, local authorities and the range of Welsh economic development bodies which sprung into existance in recent years are soldiering on with the task of trying to create a greater diversity of industry in south-west Wales. The Welsh Development Agency—the equivalent of the National Enterprise Board in the Principality — has industrial sites and advanced factories available, and cash to back any enterprise it thinks will strengthen the local economy. But the agency makes a point of emphasising that it is not in the lame-duck rescue business.

Another task assumed by the WDA is the restoration of derelict land of which south-west Wales has had more than its fair share, though things are now improving. Work on one of the most vivid pieces of land dereliction, the lower Swansea valley, is well advanced. The Land Authority for Wales is also moving cautiously into the task of assembling sites both for industrial and housing development, while in rural Dyfed the new Development Board for Rural Wales is working on schemes both to attract new industry and help local employers to expand their businesses.

In fact, in the present economic climate, expansion of local industries is proving to be the most rewarding source of new investment and jobs, particularly in the wake of the Government's decision to withdraw the regional employment premium which was a blow to the whole of south-west Wales. If there have been compensatory factors, one has been the making available of regional development grants to existing employers in the area instead of just incoming industry and the other, of course, the M4

The M4 motorway has undoubtedly eased one of south-west Wales' major drawbacks—bad communications. On the other hand, it is now only on a par with many other parts of the U.K. and Europe. Ford's decision to come to Bridgend has increased local confidence that south-west Wales can compete successfully for major new investment but it is an uphill battle, particularly to-day, when empty factories are available everywhere, including all along the M4 from the Severn Bridge. Persuading new industries to come to south-west Wales, in spite of the enormous attractions of the area as a place to live, is never going to be easy: which is why, at the end of the day, the future prosperity of south-west Wales is so heavily tied up in a decision to press ahead with the expansion and modernisation of the Port Talbot steel complex.

# Employment uncertainties

EVEN IF oil one day flows from the Celtic Sea in significant quantities, it will represent no more than icing on the industrial cake of south-west Wales. In terms of jobs, metals in general and steel, in particular, are the lifeblood of the region. Around one in five of the areas' workforce makes a living from either producing metal or processing metal products, compared with only three in a hundred throughout the rest of the U.K.

Centre of the steel industry and bedrock of the SW Wales industrial economy is the massive Port Talbot steel complex with its tidal harbour for importing up to 7m. tonnes or iron ore a year and a present steelmaking capacity of 3m. tonnes. The British Steel Corporation is committed in principle to expanding it to 6m. tonnes by the 1980s and the expansion, if it goes ahead, will include a new 10,000 tonnes a day blastfurnace, a hot rolling mill and extra steelmaking capacity at a cost of at least £835m. This is the biggest single injection of capital ever contemplated by BSC.

However, BSC have still to give the formal go-ahead and, in the current crisis conditions in the world steel industry, there is obviously still a questionmark hanging over the scheme, even though it was first proposed as long ago as February 1973 under the BSC's 10-year development strategy. Obviously there is a good deal of concern locally. At stake is not only the long-term security of most of the 13,000 workforce directly employed at Port Talbot. The expansion is considered vital also for the west Wales tinplate industry where the BSC's Velindre and Trostre plants alone provide 5,000 jobs. Standards in the market for tinplate are rising constantly and without the higher grade hot rolled coil which will flow from the Port Talbot expansion, it is feared that tinplate will not stay competitive. Beyond direct employment, it is reckoned that at least another 30,000 jobs are linked, either directly or indirectly, with the fortunes of steel.

In these circumstances, abandonment or very long postponement of expansion would be a very serious blow indeed for the local economy.

The changing economics of the steel industry have already led private sector Duport Steel to close down its plant at Briton Ferry, near Port Talbot in favour of a new £30m. electric arc steel-making facility in Llanelli, further west.

The recessionary climate has also not stopped Alcoa, which is only one of a number of aluminium producers in the area, from completing a new £35m. aluminium rolling mill at Waunarlwydd, near Swansea, which it claims is the biggest and most modern in Europe. The only nickel refinery in Europe, Inco's Clydach plant, in the Swansea valley, is also investing £8m. on modernisation while Imperial Metal Industries, now established in Swansea, is investing in a new production line for titanium.

An important customer for these basic metals is of course the motor industry, which has a surprisingly large presence in S.W. Wales, even if, most of the time, it tends to keep a relatively low profile. British Leyland has two plants in Llanelli employing some 4,500 people. As for Ford, it is said that the good industrial relations it has enjoyed at its West Wales plants over the past 10 years were an important influence in persuading the company to site its new engine factory at Bridgend.

## Size

The sheer size of S.W. Wales metal and oil industries tends to overshadow the continued importance of coal to its economy. The mainly anthracite coal field continues to provide more than 4,000 jobs and is still attracting large injections of Coal Board capital to increase production.

They include a £7m. investment at the Treforgan colliery at Crynant in the Dulais valley in new drift tunnels to create what is in effect a new mine, a £2m. reorganisation of the Blaenant colliery near Neath and the sinking of a new mine at Bettws near Ammanford. There is undoubtedly scope for further profitable anthracite production, particularly by open cast methods. But the centre of attention at the present time is a proposal to sink a new mine in the Margan forest. The estimated cost of £40m. would make it the most expensive mine ever developed in South Wales. Once open it would be able to provide 400 permanent jobs and some 6.8m. tonnes of coking a year to the steel industry but a definitive go-ahead may depend on decisions taken in relation to Port Talbot.

Beyond basic industries, S.W. Wales also has a wider range of light manufacturing industry than it used to. Significa sectors include small, but local important engineering concer throughout the region, shi building and repairing in M ford Haven, timber produc from timber which has start to come on stream from pla ings over the past 50 yea From this, timber handli machinery manufacture is veloping. Clothing is anoth industry to become well esta lished in recent years, wi small factories providing usef female employment in a numb of West Wales towns. Wel woollens are also holding th head above water in the com titive fashion market, while, similar vein, steps are in ha to put the craft secto increasingly important in ru areas—on a business-like fo ing.

The uncertainties overhal ing the steel industry and more difficult economic clim are serving to underline need for continued efforts diversify so as to give the sou West Wales economy a broa base. In West Glamorgan, lo authority officials see plast as an obvious area for devel ment. In Dyfed, it is felt t more could be done in the b building field, and in agri tural engineering to meet lo needs. There is also obvi scope for agricultural proc ing. Milk is the basis of a g deal of rural employment Dyfed's several creameries, more could be done in ot sectors. A recently announ modernisation and expansion an abbatoir at Llanybydder Ceredigion—with the help an EEC farm fund grant— step in the right direction.

Tourism also has considera growth potential, but it is righ felt locally that, at the end the day, there is no substit for stable industrial empl ment.

**Robin Reev**



# Tourist appeal is growing

TOURISM IS inevitably, one of south west Wales' growth industries. The delights of the Gower peninsula, the attractive resorts of Tenby and Saundersfoot and the Pembrokeshire coast of the south, and Aberystwyth and other centres along the Ceredigion coast to the north, have long been appreciated by the industrial population of South Wales. But with the spread of car ownership and improved road communications over the past 15 years, the area has come to be appreciated by a far larger number of people, not only in England, but also increasingly from abroad.

So much so in fact, that in a number of rural areas, tourism has been transformed from something which used to provide a little occasional pin money into an industry second only to agriculture in it's importance to the local economy. Increased mobility has, in particular, spread the tourist industry inland, notably to areas able to offer special activities such as fishing and riding. Besides benefitting inland hotels and inns, it has brought another source of income to increasing numbers of farmers. They have begun to appreciate what has been described as the "tourist crop" with old farm buildings which would otherwise lie idle being turned into assets which give a significant injection of funds into agriculture.

Across Wales as a whole, the Welsh Tourist Board calculates that tourism now generates expenditure of some £300m. annually and provides jobs equivalent to full time employment for some 84,000 people. And, contrary to widespread belief, the industry employs almost as many men as women—the ratio is 45:55 according to research undertaken by the University College of North Wales, Bangor.

## Effort

The Board expects this number of full-time equivalent jobs to increase to around 100,000 by 1980 and south-west Wales promises to contribute more than its fair share to this expansion; always providing it continues to develop and promote the amenities sought by to-day's tourist and sustains efforts to spread the tourist traffic both geographically throughout the area, and in time by stretching the season.

The need for sustained effort is an important qualification well illustrated by the experience of the past few years. Bed occupancy rates in Welsh hotels at the peak of the season have in fact never matched the 75 per cent. rate achieved in 1973 and last year the resorts—the hub of the industry—suffered the shock of a distinct drop in the number of visitors and real earnings. The weather the previous year was certainly not to blame since 1976 was the year of the great drought which south-west Wales enjoyed, or suffered depending on your point of view, to the full.

The setback, more likely, reflected the culmination of the difficult economic climate in Britain over the past two to three years. Many families which traditionally like to take their annual holiday at a hotel or guest house in a resort were last year forced, through economic circumstances, either to forgo their holiday or join the trend towards self-catering holidays. And the resorts were not wholly compensated for the loss of this clientele by a rise in visits by tourists who would normally have spent their holiday abroad or by the dramatic rise in foreign tourists, who helped to buoy up the industry elsewhere.

As a result of the drop, the Tourist Board has decided, for the first time, to spend £100,000 on a special TV promotion campaign of Welsh resorts over the coming weeks.

Another response to the need for more business has been the formation of the Tenby and South Pembrokeshire Hotels and Restaurants Association to help promote the area.

An unhappy development, however, is that local authorities have been forced, by public expenditure cuts, to reduce the amount of money they make available to the Tourist Board for its work, which is undoubtedly of some concern to those in the industry.

## Promotion

The industry recognises the value of greater promotion in the highly competitive tourist market and would undoubtedly do more itself were it not for the considerable amount of money which has been absorbed in recent years modernising facilities.

The hotel industry in south-west Wales is not exceptional in having to work with "plant and fixed assets" originally built in the 1860s and 1870s, and a massive amount of resources has had to go into meeting more stringent fire regulations and the provision of private bathrooms looked for by to-day's tourist.

The same is increasingly true of the fastest growing sector of the industry—self-catering. This includes holiday cottages and camping but in the main means fixed-site caravans. The days when Wales was full of scruffy caravan sites filled with visitors who had transported a fortnight's groceries from their local supermarket are happily drawing to a close. The Tenby area in particular likes to boast of its top class sites with colour television and showers in with the caravans and well-stocked on-site shops.

A recovery of business in the resorts will be felt generally throughout the tourist industry. Resort visitors no longer stick to the beach with buckets and spades and a deckchair. These days some 80 per cent. arrive by car and use the resorts very much as a touring base to visit attractions in the surrounding area.

This investment can only pay off in the long run and, given the improving economic climate and this year's special promotional efforts, there is general confidence that the resorts will win back their business.

The main worry is that insufficient resources may hinder the industry from fulfilling the big potential for growth in foreign visitors and out of season tourism.

The increase in the number of tourists from overseas in the past two to three years has been quite remarkable. Last July, it is estimated that one in five beds in Welsh hotels was occupied by a foreign visitor. The growth inevitably owes much to the weakness of sterling but the Tourist Board maintain that it also indicates the success of promotion campaigns in the Benelux and Scandinavia. Wales offers Continental tourists a new intriguing destination, something different from the Mediterranean and the Gadarene track of London Stratford and Edinburgh. For American visitors south-west Wales has particular attractions in Swansea as the birthplace of the poet Dylan Thomas and Laugharne, his home for many years, and burial place.

An added advantage of foreign tourists for that industry is that they tend to come either side of the seasonal peak, thereby tying in with the main strategy of the past four to five years of trying to spread number of visitors either side of the traditional late July and August holiday period.

To make its maximum contribution to the south-west Wales economy and provide more stable employment for greater numbers, tourism needs, as far as possible, to be an all-the year-round activity. The Tourist Board's efforts in this direction include the promotion of cheap winter weekends at selected hotels and developing the whole concept of the "winter break." It is also joining the fierce competition for conference business but the Tenby area badly needs a modern well-equipped conference centre. Emphasis on local events with a distinctly Welsh flavour is another area being explored, as is out-of season special rates for old age pensioners and the handicapped. But just as important for tourism as any other industry is the extension of the M4. It will undoubtedly help to expand the number of out-of-season visitors by bringing deepest south-west Wales within three hours drive of a far larger number of people. The transfer of the Cork Ferry from Swansea to Pembroke dock, if its goes ahead, will also not be without its spin-off effect for the local tourist industry.

**R.R.**

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# A double cracker for the oil industry

THE PAST YEAR has seen alternating bouts of pessimism and optimism over the contribu-ion the oil industry might nake to the economy of Dyfed. The pessimism has arisen from he realisation that the Celtic Sea will not provide wealth such s has been experienced in the iorth of Scotland and might, ndeed, produce little or no vealth at all. The optimism has ome from the announcement y Texaco and Gulf that they re jointly to build a £290m. uid catalytic cracker on 'exaco's refinery site just out-ide Pembroke Dock and from ie decision of Amoco and lurco to put up a cracker cost-ng around £75m.

The cracker projects will ontribute materially to the rosperity of the area. Since ie early 1960s, Milford Haven ound has developed into one of ie largest oil ports in Europe, econd only to Europort in olland. The deep-water anchor-ge has enabled all but the very rgest of the super tankers to e its waters and the oil com-nies have built their refineries ongside. Esso was the first, ith a 15m.-tonne capacity unit mpleted in 1960. It was fol-wed by Texaco (9m. tonnes), 1964, Gulf (5m. tonnes) in 68 and Amoco (4m. tonnes) 1973. In addition, BP put a storage terminal in 1960 id shipped its crude by pipe-ie to the Llandarcy works on e outskirts of Swansea 62 lles away.

Although these refinery pro-cts are highly capital intensive they have created a large number of jobs in an area where structural unemployment has remained high, at well over twice the national average. The five companies employ around 1,500 workers, most of them men in an area where jobs for men are at a premium. In addition, BP employs another 1,800 at its much larger refinery site at Llandarcy.

The decisions to go ahead on the crackers has been taken be-cause of the changing pattern of demand for oil products. In the 1960s, the demand was for heavy products and aimed at bulk buyers such as the Central Electricity Generating Board (to fuel its power stations) and the British Steel Corporation. Since the rapid rise in oil prices after the 1973 Arab-Israel war and the consequent turn-down in the world economy demand from heavy industry has con-tracted while that for lighter products, such as petrol, para-ffin, aviation fuel and other distillates has increased. It is to meet this change in demand that one cracker will be built and possibly a second.

In the short-term the cracker developments will mean a strong surge in the local economy. Local labour will be used as much as possible by Snam Pro-getti, the contractor for Texaco-Gulf, though inevitably Dyfed will be unable to provide men for all the jobs, which will total well over 2,000 at the peak of building. Even workers brought in from outside will help, with their spending on hotels, guest houses, shops, pubs, taxi services and the like.

When the crackers are com-pleted, in the early 1980s the net addition to the labour force are likely to be around 450 to 500 people. This may not sound a very large figure but for this part of what is still Pembroke-shire to the locals it is substan-tial.

The cracker developments will certainly help to mask the dis-appointment felt by the growing awareness that there is no crock of gold in the Celtic Sea. Last year saw the relinquishing of licence blocks by a number of companies, including Shell, which had drilled two wells. Shell came to the conclusion as a result of its work that there was very little to be gained from staying in the area and, quietly, it also gave up the short leases it had on waterside facilities.

## Setback

Other companies which have relinquished their licences include Tricentrol, Phillips, Elf-Aquitaine, Siebens Oil and Gas, and Cluff Oil. Their action was not so much of a shock for the locals because they had done little or no work in the area. Shell's withdrawal was a setback because even though it had been careful to keep a low profile a lot of people had hoped that its very presence would herald something.

Three companies drilled last year—Amoco, Conoco and Texaco—but all were dry. To-gether with Hydrocarbons GB, the drilling arm of British Gas, none has actually pulled out. Indeed, slightly north of the Celtic Sea, in Cardigan Bay, five blocks have been allocated in the fifth round of licences, four firm and one pending, to Texaco, Hydrocarbons GB and Atlantic Richfield, the U.S. giant which just over a year ago took over the ailing Observer newspaper. Arco has already drilled one well, but said nothing about it. Some time this year it is expected to go ahead drilling a second well on a block in Cardigan Bay. This well will almost certainly turnout to be the only offshore activity in the area during the year.

Utilisation at the refineries is one of the main problems at the moment, as it is in the oil industry around the world. There is a large amount of ex-cess capacity which has led to the industry being faced with difficult conditions. This excess capacity is being used by opponents of further refinery building, such as is happening on the Cromarty Firth in Scot-land. Around the Haven the four companies report that their utilisation hovers some-where between the 65 and 70 per cent. mark.

Obtaining true figures for refinery utilisation is almost impossible because they are closely guarded secrets within the companies. But if the Milford Haven four are achiev-ing anything near their claimed utilisation they are doing rather well. According to official figures, refinery output of products between August and October was nearly 1.7m. tonnes lower than in the same three months of 1976, with fuel oil output, which accounted for two-thirds of the total drop, down by 14 per cent. Output of most oil products was lower than a year earlier. Over the first 10 months of last year the throughput of crude oil went down to 77.7m. tonnes against 80.4m. tonnes in the correspond-ing months of 1976. Demand for refinery products last year was as bad as at any time since before the 1973 crisis.

Unofficial figures suggest the position might be even worse. A firm of brokers, Fielding, Newson-Smith, has suggested that refinery utilisation in the third-quarter of last year was down to 59 per cent. compared with 62 per cent. in the previous quarter and 65 per cent. in the first three months of the year. During the final quarter of 1976 utilisation was 70 per cent.

The one exception to this drop is the BP refinery at Llandarcy where, as a result of closing some old plant, the company claims that its utilisa-tion is over 90 per cent.

## Expansion

Llandarcy, sprawling around the outskirts of Swansea, is the daddy of all the British refineries. When it came on stream in 1921 it was the first major refinery in the U.K. for the treatment of crude imported from the Middle East. Even so it was tiny by comparison with to-day's plants and even by the war had a throughput of no more than 360,000 tons a year.

Expansion at the plant came after the nationalisation of BP's refineries in Iran in the early 1950s and capacity was pushed up to 8m. tons a year. Three years ago, however, some of the older plant was taken out of commission and the capacity is now 5m. tonnes. Although there has been this contraction BP has sufficient faith in the works to contemplate the spending of around £6m. on the site this year and a further £7m. next year.

Unlike the four refineries at Milford Haven Llandarcy is an integrated plant. It produces feedstocks for BP Chemicals' plant at nearby Baglan Bay, which is supplied by pipeline. It also produces a wide range of down-stream products such as butane, a gas sold commercially for domestic consumption; pro-pane, used in industry for metal cutting; white spirit for the paint industry; kerosene, com-monly known as paraffin; naphthas, which are semi-finished oils used by chemical manufacturers; aviation fuel; and, of course, motor spirit—or petrol.

This is not the end of the story. The refinery also produces gas oil, heavy diesel oils, lub-ricating oils, wax, bitumen and high-grade sulphurs. With such a rounded production profile it is hardly surprising that its labour force, at 1,800, is larger than that employed by the re-fineries at Milford Haven.

Even though this number of people employed is well below the 4,000 that were on the pay-rolls in the 1950s Llandarcy still plays a very important part in the economic life of Swansea. But then this is true, also of the refineries in Dyfed. With-out them, both Swansea and Milford Haven-Pemroke Dock would be considerably less affluent. There are some who argue that the creation of giant industry in the Milford-Pembroke area has reduced the quality of life and it is difficult not to agree that the imposition of factory buildings has affected the tenor of life in this part of Wales. But it is also un-deniable that without the re-fineries and the storage plant fewer people would be in work and more people would have to live at a lower standard of living than they enjoy now. It is never easy balancing the introduction of industry into areas of outstanding natural beauty with offsetting factors such as the large number of heavy lorries on winding, nar-row country roads. But in what was Pembrokeshire it has been done successfully and to the benefit of most people.

**Anthony Moreton**

# Farming worries

LK IS the backbone of south-st Wales agriculture. In pre-minantly rural Dyfed some 60 r cent. of farming enterprises still devoted to dairy, beef ounts for some 12 per cent., eep production for a further per cent. while the rest is de up of pigs, a few poultry ts, cereals and vegetables, ably the specialist early ato growing in what used to Pembrokeshire.

The area's emphasis on milk l meat production, of course, ects the mild, relatively np, climate which is charac-stic of the western extremi-of Europe's offshore islands. plentiful supply of grass wing much of the year round the region's chief farming et and the basis of its large y sector.

t the same time dairying is oming increasingly special-; cow numbers are rising the number of milk pro-ers is falling. In common the rest of Britain, the best ners are pushing their stock-rates towards the two-cows-ie-hectare and milk output ards 1,300 gallons per cow. t said, the average yield in region, at around 825 gal-per cow, is still thought by e to be disappoinitingly low; eflection perhaps both of ve caution and the sizeable tuations in profitability of ying in recent years.

ilk is also the basis of ral hundred jobs in local y processing facilities. gate has creameries at Car-then, Newcastle Emlyn, and tland, the Co-operative lesale Society has a plant at Jangadod and the Milk Mar-ng Board a large butter and milk powder factory at nfach, Ceredigion. Distance the main centres of popu-n inevitably means that h of the milk produced in area is processed rather sold liquid.

present, local concern is ly focused on the post-sition EEC arrangements ting milk. South-West s dairy producers, because eir distance from consumer kets, are particularly ngly opposed to any weaken-in the monopoly powers of Milk Marketing Board. It idely recognised that the plishment of the MMB, in , was instrumental in putt-agriculture in the region on siness-like footing for the time. And, it continues to n important guarantee of ive prosperity of the areas y industry. By the same n, local dairy producers are ied that the end of Britain's transition arrangements t trigger competitive milk rts from Ireland. Indeed, e have been suggestions the local ports will be kaded should such a move ttempted.

issuing this threat, dairy ers are following the well licised precedent of beef ucers in the area who, in vake of the collapse of beef s in 1974, halted cattle ship-ments from Ireland until the Government agreed to opt in, at least partially, to the Common Market's beef market support arrangements. Even so, the beef sector has fared only relatively well since that date. The industry is more exposed than most to the Government's insistence on using the EEC's green currency arrangements to hold down official common farm support prices—a com-plaint also of milk producers. As long as a gap continues to exist between the Irish and U.K. green pound rates, Irish store cattle will be shipped into Welsh ports with the help of EEC subsidies. The atten-dant risk is that local cattle markets are liable to be depressed by such subsidised imports.

## Policy

The EEC's Common Agricul-tural policy also has a very strong bearing on the prospects for sheep producers in south-west Wales. They are hoping that the end of transition will result in the Community's most profitable market for sheep meat, France, being opened up permanently to Welsh lamb. To date, lamb producers have had to live with a French national regime which prohibits imports when prices fall below a pre-determined level on the Paris market. This interference with imports should be made illegal under EEC rules, though the position at present is still some-what confused.

But in the meantime, there is undoubtedly scope for im-proving the marketing of local meat production. The expan-sion of an abbatoir, recently announced at Llanybydder, Ceredigion, with the aid of a Brussels Farm Front grant, is viewed very much as a step in the right-direction. It pro-mises the kind of modern meat processing facility which is essential if the area is to meet more exacting standards of the EEC export market.

When it comes to south-west Wales' specialist early potato crop, the growers of former Pembrokeshire are will used to taking the rough with the smooth. Now that there is a return to more normal potato supplies after two years of acute shortage, the outlook for this year's crop is clearly not as profitable as in the immediate past. Then early potato grow-ing has always been a hazardous business dependent on having supplies ready for marketing just at the right time so as not to compete with marketing from elsewhere. A number of growers on the Gower Peninsula have recently been growing a wider variety of vegetables pos-sibly setting what may be a trend for other parts of south west Wales where the land is suitable.

**R.R.**

# WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

## Dow 5.6 lower on dollar troubles

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 11.

INVESTORS, DISCOURAGED by more bad news about the dollar and a mixed bag of reports on the economy, quickly abandoned a feeble rallying attempt on Wall Street to-day, and sent the market to its seventh consecutive loss this year in fairly active trading.

The Dow Jones Industrial Average was finally 5.63 lower at 775.90, after having initially picked up to 785.95. The NYSE All Common Index finished a further 25 cents down at $49.52, after a day's high of $49.83, while declines exceeded gains by 862 to 542. Trading volume decreased further to 22.88m. shares from yesterday's 25.18m.

The welcome news this morning of a drop in the unemployment rate to 6.4 per cent. in December from 6.9 per cent. proved insufficient to sustain an improvement that began shortly after the opening.

WEDNESDAY'S ACTIVE STOCKS

| | Stocks traded | Closing price | Change on day |
|---|---|---|---|
| Middle South Utils. | 467,400 | 16½ | +⅛ |
| Brunswick | 320,000 | 14½ | −⅛ |
| Pacific Gas & Elec. | 304,300 | 23½ | −⅛ |
| Budd | 263,000 | 32 | −2⅜ |
| American Medicorp | 257,400 | 20⅝ | +⅛ |
| Technicare | 235,600 | 8⅞ | −2⅛ |
| British Petroleum | 234,800 | 15⅛ | — |
| Melville | 177,300 | 24½ | −1⅛ |
| Internl. Tel. & Tel. | 176,800 | 30⅞ | −⅛ |
| Exxon | 169,300 | 44⅜ | +⅛ |

Analysts traced the retreat to a number of factors, including growing doubts about the U.S. resolve to defend the dollar with adequate vigour in the currency markets.

The dollar resumed its steep decline against major trading currencies in Europe, indicating to dealers that the Federal Reserve and European Central Banks have failed to bring the dollar crisis under control. Treasury Secretary Blumenthal stated to-day that U.S. intervention has worked, but several dealers in London disagreed.

Last night's Government report of a decline in retail sales during December and a projection to-day by Commerce Secretary Juanita Kreps of declining motor sales this year were other negative points.

Technicare were active and down 2⅛ at $8⅞ on lowering its earnings forecast for the second quarter and full year.

Budd, also active, retreated 2⅜ to $32—the issue had been strong recently on Budd reporting an unidentified suitor, but it later said that the suitor had not made any new overtures.

A Government announcement of a tough new programme to discourage smoking upset R. J. Reynolds, down 1 at $55⅞, and Philip Morris, ⅞ cheaper at $56⅞.

THE AMERICAN SE Market Value Index was 0.42 easier on balance at 119.73 after moderate activity. Volume 1.94m. shares (2.38m.).

### Canada weaker

Apart from the Golds sector, which rebounded 20.3 to 1,397.6 on index, Canadian Stock Markets weakened across a broad front yesterday. The Toronto Composite Index declined 6.6 to 1,006.3, while Metals and Minerals retreated 11.5 to 840.3, Banks 1.05 to 229.69, and Utilities 2.32 to 160.34.

### OTHER MARKETS

PARIS—Market turned downwards, depressed by the dollar's weakness and the further overnight Wall Street setback.

Motors and Chemicals, however, were generally firmer against the trend.

L'Oreal were notably lower at Frs.490, down 30, while Carrefour declined 18 to Frs.1,262, Moet Hennessey 9 to Frs.348, and BIC 11 to Frs.494, but Poclain put on 3 to Frs.106.5.

Golds were mixed, while Foreign Oils and U.S. issues followed Wall Street lower.

BRUSSELS—Shares made a mixed showing in slack trading.

Arbed improved 55 to B.Frs. 2,060, UCB 28 to B.Frs.980, and Electrobel 40 to B.Frs.5,960, but Banques Bruxelles Lambert receded 18 to B.Frs.1,432 and Sofina 90 to B.Frs.2,955.

AMSTERDAM—Share prices moved irregularly in slow trading.

Philips were Fl.0.20 higher in otherwise lower Dutch Internationals, where Royal Dutch lost Fls.1.10.

In the rest of the market, Banks and Insurances were mostly firmer, led by Middenstands Bank, which rose Fls.6. Other firm spots included KLM and OCE Grinten, with improvements of about Fls.1.60 apiece, but Elsevier declined Fls.4.50.

GERMANY—Inclined to harden on foreign and local demand.

Volkswagen, in Motors, rose DM1.40 on the expected dividend increase. Deutsche moved ahead DM3.50 in firm Banks while, elsewhere, Conti Gummi added DM2.20 and Harpener DM2.50. However, Stores and Buildings weakened, with Karstadt losing DM6.

SWITZERLAND — Stock prices slipped further in a light business on the U.S. dollar's weakness.

Credit Suisse declined 20 to Sw.Fr.2,210 and BBC "A" 20 to Sw.Fr.1,595, but Utilities to firm on yield considerations included Simplon, KW Laufenburg, CKW and Sopra Ceneri.

MILAN—Stocks tended to recover in fairly active trading, helped by some short-covering operations and a lessening of selling pressure.

Leading Industrials to advance included Snia Viscosa, 14.5 higher at L.389.5, Fiat, 15 up at L1,890 and Pirelli, 36 firmer at L.1,935. Mediobanca gained 125 at L.30,400 in Banks.

Bonds were narrowly mixed.

SPAIN—Mainly small scattered movements with an easier bias were the order of the day, leaving the General Index 0.70 easier at 98.20. Union Electric shed 2.50 points to 65.50, but Hidrola picked up 2.25 more to 73.75.

COPENHAGEN — Lower in moderate dealings, but Burmeister and Wain advanced 5 to Kr.412.

STOCKHOLM — Firmer for choice, with Mo Och Domsjo rising 6.5 to Kr.65.

HONG KONG—Modestly easier across the board on small selling in thin trading.

Jardine Matheson and Hong Kong Bank shed 10 cents each to $HK11.00 and $HK16.70 respectively, while Swire Pacific, $HK5.05, and Wheelock Marden, $HK2.05, softened 5 cents apiece. Hutchison Whampoa were 2.50 cents lower at $HK3.525.

TOKYO—Stocks moved ahead over a wide front on revived buying interest, reflecting expectations that the Japan-U.S. trade dispute would soon be settled. The Nikkei-Dow Jones Average recovered 38.74 to 4,007.23 on volume of 280m. shares (240m.).

Export-orientated shares led the rise, with Matsushita Electric adding Y12 at Y572, Honda Motor Y16 at Y460, Toyota Motor Y26 at Y747, Pioneer Y50 at Y1,380, and Canon Y16 at Y428.

Nippon Denso were particularly in good form at Y973, up Y58.

JOHANNESBURG—Gold shares came back with the London Bullion price, but finished above the day's worst. Net losses ranged to 50 cents in heavier-priced shares.

Financial Minings were generally easier in line with producers, but Gold Fields was a bright feature, up 100 cents at R21.75 on quarterly figures. Asbestos issues were about 5 cents lower.

AUSTRALIA — Markets relinquished further ground, with sentiment depressed by the setback on Overseas stock markets and uncertainties about domestic interest rates and commodity prices.

In the Mining sector, CRA were down 11 cents at $A2.11, while Pancontinental declined 50 cents to $A11.50 and MIM 5 cents to $A1.70. Ampol Petroleum receded 4 cents to 77 cents in Oils.

## Indices

NEW YORK —DOW JONES

| | Jan. 11 | Jan. 10 | Jan. 9 | Jan. 6 | Jan. 5 | Jan. 4 | 1977-78 High | 1977-78 Low | Since compilation High | Since compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|
| Industrial | 775.90 | 781.53 | 784.56 | 785.49 | 804.92 | 815.56 | 999.75 | 775.90 | 1051.70 | 41.22 |

N.Y.S.E. ALL COMMON

| Jan. 11 | Jan. 10 | Jan. 9 | Jan. 6 | 1977-78 High | 1977-78 Low |
|---|---|---|---|---|---|
| 49.52 | 49.77 | 50.06 | 50.54 | 57.97 (4/1/77) | 49.52 (11/1/78) |

Rises and Falls

| | Jan. 11 | Jan. 10 | Jan. 9 |
|---|---|---|---|
| Issues traded | 1,858 | 1,882 | 1,901 |
| Rises | 542 | 429 | 270 |
| Falls | 862 | 1,031 | 1,309 |
| Unchanged | 454 | 422 | 322 |
| New Highs | 5 | 4 | 9 |
| New Lows | 108 | 125 | 125 |

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
● DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. § Frs.500 denom. and Bearer shares unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

## OVERSEAS SHARE INFORMATION

GERMANY ●

| Jan. 11 | Prices Dm. | + or − | Div. % | Yld. % |
|---|---|---|---|---|
| AEG | 89.8 | +0.6 | — | — |
| Allianz Versich. | 478 | −0.9 | 418 | 1.9 |
| BMW | 227.5 | +1 | 20 | 4.4 |
| BASF | 136.7 | −0.5 | 17 | 6.2 |
| Bayer | 133 | +0.1 | 16 | 6.0 |
| Bayer. Hypo | 277xd | ...... | 20 | 3.6 |
| Bayer. Vereinsbk | 310 | +3 | 20 | 3.2 |
| Ciba-Geigy Ned. wrts | 136 | −15 | — | — |
| Commerzbank | 217.8 | +2.1 | 18 | 4.1 |
| Conti Gummi | 71.2 | +2.2 | — | — |

## Dollar falls again

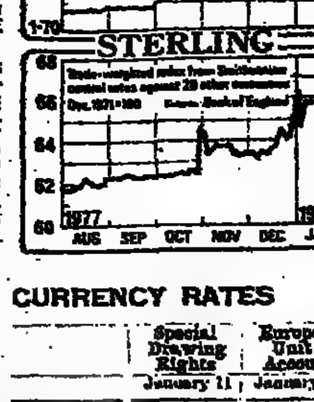
The U.S. dollar fluctuated quite sharply in nervous trading in the foreign exchange market yesterday. The German D-mark rose to a high point of DM2.1075 against the dollar, and was prevented from moving still higher by intervention from the West German authorities. Other currencies also gained ground, with the Swiss franc touching a best level of Sw.Frs.1.9800, while sterling rose to $1.9275 in the morning from the previous closing level of $1.9185.

Intervention by central banks helped the dollar to recover slightly from its worst level against most currencies, finishing at DM2.1122½ against the D-mark, compared with DM2.1360 on Tuesday, and Sw.Frs.1.9770 in terms of the Swiss franc, compared with Sw.Frs.2.0085 previously.

The dollar's trade-weighted average depreciation, as calculated by Morgan Guaranty of New York, widened to 4.88 per cent. from 4.47 per cent.

Sterling was slightly out of line with other movements over most of the day. It was not as strong as some other currencies during the morning, but improved sharply almost as the London market was closing. This late demand pushed the pound to a finishing level of $1.9380-1.9400, a rise of 2.05 cents on the day. Its trade-weighted index rose to 65.8 from 65.7, after standing at 65.7 at noon and in early trading.

Gold fell $⅞ to $172-172½ in moderate trading. The krugerrand's premium over its gold content widened to 3.84 per cent. from 3.54 per cent. for domestic and international delivery.




### CURRENCY RATES

| | Special Drawing Rights January 11 | European Unit of Account January 11 |
|---|---|---|
| Sterling | 0.629909 | 0.635683 |
| U.S. dollar | 1.21459 | 1.22466 |
| Canadian | 1.33678 | 1.34669 |
| Austria sch. | 18.4495 | 18.5795 |
| Belgian franc | 39.8386 | 40.1688 |
| Danish krone | 7.01182 | 7.07797 |
| Deutschemark | 2.56947 | 2.59506 |
| Dutch guilder | 2.75833 | 2.78136 |
| French franc | 5.71950 | 5.76753 |
| Italian lira | 1060.09 | 1069.74 |
| Japanese yen | 293.020 | 294.320 |
| Norway krone | 6.25028 | 6.29605 |
| Spain peseta | 97.8950 | 98.7191 |
| Swedish krone | 5.64602 | 5.70178 |
| Swiss franc | 2.39699 | 2.42844 |

### EXCHANGE CROSS-RATES

U.S. $ in Toronto U.S. $ = 109.98-10.00 Canadian cents.

# FARMING AND RAW MATERIALS

## Few foreign buyers for U.K. farms

...ST POTENTIAL overseas ...ers of British farmland have ...far restricted their activities ...window-shopping, according to ... Royal Institution of Chartered Surveyors.

...vidence presented by the ...itution to the Northfield ...mmittee investigating the pat... of land ownership in the ..., shows plainly that, although ...e has been a strong upsurge ... interest among foreigners ...e 1974, there have been few ...ers.

...he institution bases its con...ions on the 30 per cent. ...onse it received to a question...e sent out to 400 members ...ialising in land sales, writes ...istopher Parkes.

One of the points which ...rged from the survey is the ... that the number of ...iries made by prospective ...ign purchasers is far greater ... the number of foreigners ... have actually purchased ...cultural land," the institu... says.

...t is the institution's belief ... the relatively large number ...quiries has misled many ...le into believing that more ...gners have bought agricul... land than is in fact the ...

...e Institution also maintains ... the present methods of land...re—the landlord and tenant ...m and owner-occupancy—...ital to the farming industry. ...he Institution evidence ...lds the free market for the ...hase of agricultural land. ...the institution feels that any ...ference in the market would ...ndesirable," it says.

...ord Northfield's Committee ... hold two more open public ...ings this month. The first ... be at 8 p.m. on Tuesday, ...ary 24 at the Elloe Hall, ... Holland Centre, Spalding.

## ...alks on new ...heat pact ...heduled

...EGOTIATING conference on ... international arrangement ... place the 1971 International ...t Agreement will be held ...eneva from February 13 to ...h 23, M. Jean Parotte, exe...e secretary of the International Wheat Council, an...ced in London yesterday.

...e 82nd session of the International Wheat Council made its ...ion yesterday, but details ...w the conference will be ...tured have not yet been ...d.

...e existing wheat agreement ...e to expire on June 30.

...r

## Tin price rally halted as supply squeeze eases

BY JOHN EDWARDS, COMMODITIES EDITOR

THE RECENT rally in tin was reversed yesterday, with early gains being wiped out and standard grade cash tin closing £80 lower at £6,355 a tonne after trading at £6,430.

Trade selling and "lending" (selling cash and buying forward) triggered off the downturn after the market had been lifted by fresh chartist buying. This was encouraged by a further rise in the Penang market overnight and by news that the Bolivian army had been placed on "red alert."

The premium of cash tin over the three months quotation shrank last night to below £10 a tonne, indicating that the scarcity of supplies available to the market appears to be over.

Some traders, indeed, feel that there are more than adequate supplies around at present to meet sluggish demand.

As a prelude to next week's International Tin Council, the Bolivian Ambassador to Malaysia, Sr. Carlos Iturralde, called for some radical changes in the International Tin Agreement.

Speaking at a seminar on the future of the tin industry in Kuala Lumpur, Sr. Iturralde, claimed that the voting structure of the agreement meant that major tin consuming countries were able to veto what would have been realistic increases in the price ranges.

He said that the present situation of the price range had become of paramount concern. Producers had sought to avoid interminable discussions on prices at every Tin Council meeting by seeking a periodic and systematic approach via the newly-formed Economic Price and Review panel.

After the first two meetings of this panel, however, "we are back to square one," he commented.

It is understood that the producers' demands for an increase of SM200 in the agreement's "floor" and "ceiling" prices from the present range of SM1,200 to SM1,500 a picul, will be firmly resisted by leading consumers.

The renewed rise in the value of sterling, against the dollar, brought downward pressure on all the base metals.

Copper, which was described as virtually a currency market, lost ground as speculative selling met an absence of consumer buying demand. Cash wirebars closed £9 down on the day at £661.25 a tonne and the price was reported to be still lower in after hours dealings.

Despite President Kaunda's further hint, this week, that Zambia was planning production cuts, there is little sign so far of any easing in the surplus situation. The market is therefore very vulnerable to non-trade influences.

*Zinc prices fell on some chart* selling, with the cash price losing £4.375 to £277 a tonne. A special meeting of the International Lead and Zinc Study Group is to be held in London on Monday to review the zinc market situation.

It is expected to convene an extraordinary full meeting of the study group council in Geneva shortly, to decide what can be done.

Meanwhile, lead values were steady yesterday, despite sterling, buoyed up by the impending strike by Asarco workers when the deadline for new labour contract negotiations expires on January 13.

## Big rise in British sugar crop

BY OUR COMMODITIES EDITOR

THE U.K. sugar beet crop this season will total about 950,000 tonnes when processing is completed within the next four weeks, the British Sugar Corporation announced yesterday.

This is the biggest crop for four seasons—after three disappointing years—and compares with an out-turn of 700,000 tonnes last season.

However, this season's final crop figure is somewhat below earlier predictions of a record level of more than 1m. tonnes.

Mr. Peter Dyke, the corporation's director of agricultural services, commented that despite early promise the size of the crop was not likely to reach the 10-year average of 36 tonnes per hectare. Sugar content was up, however.

More than 80 per cent. of the crop has been processed and less than 1 per cent. is still in the ground. This is despite a delayed start to the "campaign" this year, due to a pay dispute.

On the world sugar market in London yesterday, values were boosted initially by continued reports of renewed Chinese buying. China is estimated to have brought 250,000 to 300,000 tonnes for delivery in the first quarter of 1978. Leading world sugar sources in New York later denied the rumours.

However, persistent trade selling and the strength of sterling against the dollar brought values down again to close £0.90 to £1.60 higher. The London daily price for raw sugar was raised by £1 to £110 a tonne in the morning.

In Brussels the EEC Commission authorised sales of 58,500 tonnes of white sugar at its weekly export tender.

*Reuter reports from Washington:* The Organisation of American States' special economic affairs committee is to review the U.S. sugar import situation.

OAS sugar exporting countries are concerned about the level of stocks in the U.S. These rose to nearly 3.5m. tonnes at end-1977 against 2.8m. tonnes at end-1976.

## Soviet-Norway fish pact

BY FAY GJESTER OSLO, Jan. 11.

A CONTROVERSIAL agreement between Russia and Norway on the regulation of fishing in a disputed area of the Barents Sea—the so-called "grey zone"—was finally signed in Oslo to-day, several days later than originally expected.

The last-minute delay was due to disagreement between Russian and Norwegian officials about the wording of a supplementary declaration intended to stress that the agreement is purely temporary and does not prejudice either country's continental shelf claims in the area.

Norwegian fishermen have favoured the pact, since it ends uncertainty about where and how much they can fish in the waters where Norwegian and Russian boundary claims overlap. Politicians — particularly among the Opposition — have criticised it, pointing out that the "grey zone" boundary extends into waters which even Russia previously accepted as Norwegian.

## New appeal for potato market aid

By Our Commodities Staff

THE MINISTRY of Agriculture was asked yesterday to approve a fresh round of support buying in the potato market.

The Potato Marketing Board said that if the Ministry would not take part in a new programme, perhaps the Board could be allowed to intervene in the market on its own account.

Farmers' prices have stuck at an average £55 a tonne — about £10 short of the guaranteed level —in spite of an earlier buying programme, which took 560,000 tonnes of surplus potatoes off the market, and the retention of a contentious ban on imports.

● A lorryload of Dutch potatoes, shipped to Britain without an import licence, is being held up on the quayside at Great Yarmouth, Customs officials confirmed yesterday.

Journalists from Holland have been busily investigating this "obstruction," but embassy officials are plainly not prepared to make an issue of the thwarted shipment.

A spokesman said yesterday that the delivery appeared to be "a mistake" made by a trader who had not understood that imports were banned.

## Doubts on Ghana cocoa purchases

By Our Commodities Staff

LONDON COCOA dealers queried the accuracy of a Ghana *cocoa purchases figure published* by the Cocoa Marketing Board yesterday. The Board said that the cumulative total of purchases to January 9 was 120,418 tonnes, but London market sources claimed this figure had been reached by the end of December.

Traders in London believe the up-to-date total is more than 139,000 tonnes, but even this would be small in comparison with previous years.

On the London futures market prices rose in early dealings, with the May position climbing to £1,632 a tonne. Dealers said the rise was encouraged by the emergence of some manufacturer demand for cocoa butter and a good buyer on the near March position.

Prices fell near the close, however, and May cocoa ended the day only £13 higher at £1,616.5 a tonne.

Coffee prices also rose during the morning, but by the end of the day, March coffee was quoted £12 lower on balance at £1,825.5 a tonne.

MINISTER AT THE FARMERS' CLUB

## Silkin ready for show-down on pigs

BY CHRISTOPHER PARKES

MR. JOHN SILKIN, Minister of Agriculture, yesterday made it plain that he is prepared for a showdown in the Common Market Council of Ministers over the crisis facing the British bacon industry.

He warned the Danes that he might be forced to block this year's farm prices package if they continued to stand in the way of a revision of the monetary compensatory amount subsidies on bacon sold into Britain.

In a major policy speech at the Farmers' Club in London, the Minister explained the extent to which his hands were tied by "the constraints and limitations under which the British Minister of Agriculture now operates" at meetings of the Council of Ministers.

"To achieve anything that is in our own, British interests we have to convince our eight partners that it is right for them to allow us to have it. And what may seem fair and equitable to us is not necessarily seen in the same way in other countries."

Mr. Silkin has been campaigning unsuccessfully for more than a year to win a change in the calculation on MCA subsidies which, he claims, help the Danes and Dutch to undercut the troubled British bacon curers.

British manufacturers say that, because of subsidised imports, they are having to sell their bacon at £70 a tonne below *break-even point.*

Mr. Silkin said that the French

Mr. John Silkin

and Italians now supported his case. But farmers should not be misled into thinking that there was a simple way of persuading those countries with national interests at stake to change their views.

"They have been adamant in refusing to accept any change in the present arrangements," he said. The Commission in Brussels, which had been studying his complaints for many *months, has still not come up* with a report.

"Now the question is likely to be taken up in the discussions on the price review, I hope the Commission's report will make it clear that changes must be made, for member countries only accept measures they do not like if the pressures on them become irresistible, or if they recognise that it is necessary to do so in order to achieve a satisfactory *overall settlement*."

For farmers waiting to hear his plans for a devaluation of the green pound, the Minister could offer only broad hints of a change at the price review in March or April and clear indications that his hands are tied by his colleagues at home as well as in Europe.

Mr. Silkin blamed many of his present difficulties on Tory tactics when Britain joined the EEC. "I believe that one of the cardinal errors of the Conservative Government at the time of our entry into the EEC was their failure to realise that the rest of the EEC wanted the U.K. to join the Community as much, at least, as pro-Europeans did in our own country."

As a result of Tory eagerness to get Britain in, his job of sorting out a satisfactory fisheries policy had been made much more difficult. Britain's partners had grown to expect an unchallenged catch-as-catch-can policy, he said.

"This same philosophy of mute acceptance dominated the entry *negotiations on agriculture too*," he claimed.

## Much ado about very little . . .

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

AT THE END of Mr. Silkin's Farmers' Club meeting it could well be asked why the Minister requested the platform, why the club provided it, and why at least 200 farmers bothered to attend.

In a way, I suppose, the Minister won. He secured a platform for a reiteration of his now notorious views, was listened to in polite silence and willingly answered a predictable if faintly hostile flow of questions.

The only moment of excitement came when Mr. Frank Paton, quoting from Cromwell's words to the Long Parliament to "In the name of God, go," attempted to put a motion for Mr. Silkin's dismissal for the club to support. No one else agreed with him publicly and the proposition failed.

Mr. Silkin was accused of being more a Minister of Food than of Agriculture. His job, according to several speakers, should be to defend the farming industry. Would it not be better to split off food and consumer interests they suggested. No, said Mr. Silkin. A balance of interests must be maintained.

He defended his refusal to devalue the green pound on the same grounds. He hinted at possible devaluation, but would not commit himself to any firm date. Nor would he predict when, if ever, the revised White Paper—Food from Our Own Resources, mark two—would be published.

*One indignant questioner* asked if the Minister thought it moral or immoral to use the green pound to prevent currency equalisation. Morality, replied the Minister, did not enter into such matters of national interest. Several other member countries used the green currencies for their own purposes, he said.

In the event, the fury of farmers, which is evident in the countryside was hardly present in the hall. This is because farmers have no concrete evidence of financial loss, except in the sector of pigs. Otherwise, they might be considered almost complacently comfortable.

The Minister had an easy run, which, considering he had nothing really new to say, was just as well.

# ...MMODITY MARKET REPORTS AND PRICES

## ...SE METALS

...PER—Easier on the London Metal ...ge with currency considerations ...ng dominant during the day. ...d metal moved down from £681 ... during the morning and touched ... for the day of £674 in the after... The close on the Kerb after a ...subdued trading was £676.5, but ...ice moved lower after hours as ... strengthened. Turnover, 12,800 ...

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £669.5, 61, three months £677, 76, 75.5, 75, 74.5, 73, 75.5. Cathodes, cash £650.5, three months £664, 64.5. Kerb: Wirebars, three months £675.5, 75, 74.5, 74, 74.5. Afternoon: Wirebars, three months £674, 74.5, 75, 74.5, 75, 76, 75.5, 76. Cathodes, three months £664.5. Kerb: Wirebars, three months £676, 75.5.

TIN—Ended lower despite advances in the morning. The East was steady overnight and although forward tin in London was marked down pre-market from £6,370 to £6,350 against the background of strong sterling and weaker copper, fresh chartist buying caused a rally to £6,460. But later trade selling predominated and sent the price to £6,340 before buying at the lower levels led to a close on the Kerb of £6,365. Turnover, 2,260 tonnes.

Morning: Standard, cash £6,420, three months £6,390, £6,400, 10, £6,400, £6,390, 70, 60, 55. High Grade, cash £6,430. Kerb: Standard, three months £6,355, 60, 55, 50. Afternoon: Standard, three months £6,375, 70, 60, 55, 50, 45, 40, 45. Kerb: Standard, three months £6,340, 50, 55.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 6425-50 | +2.5 | 6350-60 | —80 |
| 3 months | 6390-400 | +20 | 6350-60 | —40 |
| Settlem't | 6450 | — | — | ...... |
| Standard | | | | |
| Cash | 6425-50 | +17.5 | 6350-60 | —80 |
| 3 months | 6385-90 | +25 | 6345-50 | —35 |
| Settlem't | 6430 | +15 | — | ...... |
| Straits E. | $61715 | +6 | — | ...... |
| New York | — | ...... | *571.80 | ...... |

LEAD—Little changed in a quiet market where liquidation was met with short-covering. Forward metal started at £371 pre-market but then traded in the £369-£370 range before closing on the Kerb at £369.25. Turnover, 5,650 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | ...... |
| Cash | 365.25-.5 | +1.12 | 364-.5 | —.25 |
| 3 months | 369.5-70 | +1.62 | 368-.5 | +.125 |
| Sett'l'm'nt | 365.5 | +1 | — | |
| N.Y. Spot | | ...... | *34-35 | ...... |

Morning: Cash £365.25, 65.5, three months £370, 69.5, 69, 69.5, 69.75. Kerb: Three months £370, 69.5. Afternoon: Cash £365, 64.75, 65, three months £369.5, 70, 69, 69.5, 69, 69.25, 69.5. Kerb: Three months £370.

ZINC—Lower in a featureless market where the easier tendency was produced by light chartist selling. After starting at £288-£289 pre-market, forward metal held between £284 and £287, closing on the Kerb near the day's low at £284.25. Turnover, 3,975 tonnes.

Morning: Three months £287, 86, 86.

...dex Limited 01-351 3466. ...mont Road, London SW10 0HS. July/Sept. Rubber 51.60-52.25



## COFFEE

Coffee futures made early gains, reaching £2,000 for January, Drexel Burnham reported. After lunch, heavy selling at the top of the range exhausted the day "bull" move, and at the close values were up to £35 lower on the day. Dealers attributed the easier tone to profit-taking ...

## GRAINS

## SILVER

## COCOA

## RUBBER

## JUTE

## SOYABEAN MEAL

## SUGAR

## WOOL FUTURES

## MEAT/VEGETABLES

## VEGETABLE OILS

LONDON PALM OIL—Quiet. Close: Jan. unquoted. Feb., March 270.00-280.00. April, May, June, July, Aug., Sept., all 260.00-270.00. Sales: Nil (same).

## COTTON

COTTON—Liverpool: Spot and shipment sales amounted to 188 tonnes, bringing the total for the week so far to 2,346 tonnes. Extensive operations continued with renewed pressure for supplies of particular growths. This centred chiefly on Russian, Turkish and Colombian, with support in African qualities, F. W. Tattersall reported.

## NICKEL SALES 'DISCOURAGING'

TORONTO, Jan. 11.

Nickel sales in the fourth quarter of last year continued to be discouraging, while production remained rather high, according to Mr. J Edwin Carter, chairman and chief executive of Inco.

Mr. Carter told a select committee of the Ontario legislature examining planned production cuts by Inco and Falconbridge Nickel Mines that Inco's estimated finished nickel stocks inventory at end-1977 was about 340m. lbs.

At the end of the third quarter last year, the inventory stood at 308m lbs.

Reuter

## PRICE CHANGES

Prices per tonne unless otherwise stated.

## INDICES

FINANCIAL TIMES

| Jan. 11 | Jan. 10 | Month ago | Year ago |
|---|---|---|---|
| 236.92 | 236.70 | 241.05 | 252.83 |

(Base: July 1 1952=100)

REUTER'S

| Jan. 11 | Jan. 10 | Month ago | Year ago |
|---|---|---|---|
| 1423.9 | 1430.0 | 1437.4 | 1586.7 |

(Base: September 18 1931=100)

DOW JONES

| Dow Jones | Jan. 11 | Jan. 10 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 351.09 | 349.38 | 352.92 | 378.47 |
| Futures | 340.84 | 340.41 | 324.67 | 371.94 |

(Average 1924-25-26=100)

MOODY'S

| Moody's | Jan. 11 | Jan. 10 | Month ago | Year ago |
|---|---|---|---|---|
| Spie Commty | 892.9 | 893.5 | 869.8 | 875.1 |

(December 31, 1931=100)

HIDES—London. Steady but with extremely poor clearance. Ox 31-35½ kilos withdrawn 48.2p per kilo; 26-30½ kilos withdrawn 53.5p; 22-25 kilos withdrawn 61.5p. Light cows 57p per kilo. No calf offered.

★

GRIMSBY FISH—Supply poor, demand good. Prices per stone at ship's side (unprocessed): Shelf cod £5.40-£6.70, codlings £3.50-£4.00, large haddock £4.00-£4.50, medium haddock £3.20-£3.80, small haddock £2.60-£3.20; large plaice £4.60, medium plaice £4.20-£4.60, best small plaice £4.00-£4.50; skinned dogfish, large £5.00-£5.50, medium £4.00; lemon soles £6.00; saithe £2.00-£2.50.

## U.S. Markets

## Metals and cocoa gain; cotton falls

NEW YORK, Jan. 11.

## STOCK EXCHANGE REPORT

# Rallying Gilts lend firmer tone to leading equities

## Share index up 2.7 at 487.2 after 482.2–Foods steadier

**Account Dealing Dates**
**Option**

| *First Dealings | Declara- tions | Last Dealings | Account Day |
|---|---|---|---|
| Jan. 3 | Jan. 12 | Jan. 13 | Jan. 24 |
| Jan. 16 | Jan. 26 | Jan. 27 | Feb. 7 |
| Jan. 30 | Feb. 9 | Feb. 10 | Feb. 21 |

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Gilt-edged made a reasonably good showing yesterday after recent disappointments and a rally from ½ lower to unchanged in long-dated issues spilled over to leading equity shares which recovered early small losses to close slightly better on balance.

Short-dated Funds were mixed at the end, after losses to 3/16, and the Government Securities index shed only 0.02 to 77.27; this represents a six-day loss of 1.31, but quotations throughout the list were tending to harden in the late trade on a continuation of "cheap" buying following reassuring Press comment about the chances of bringing growth in money supply back within the 9 to 13 per cent. range.

Equities also started easier, but the two-day shake-out that took nearly 13 points off the FT 30-share index was reversed when selling was seen to have abated. Down 2.3 at 10 a.m., the index was showing a slight rise a couple of hours later and continuing firmness in the afternoon left a close of 487.2 for a net rise of 2.7.

Second-line equities failed to follow the better trend as seen in the 3:2 ratio of falls to rises in all FT-quoted Industrials, but the smaller issues were again attracting a fair amount of attention and threw up most of the day's chief price changes. Firm features were often in response to trading statements and to speculative business in thin markets with London Pavilion outstanding at a near-doubled price of 300p (160p) following the chairman's remarks about unwanted approaches.

The FT-Actuaries three main indices hardened slightly and Food Retailing issues steadied after the previous day's sector drop of 6½ per cent. on fears about price competition. Banks made a good showing after the latest banking figures, while the Hire Purchase section also made an above-average rise on reports of a likely pick-up in consumer spending.

Official markings yesterday totalled 5,978 as compared with Tuesday's 7,130 which was the highest total since mid-October.

### Gilts regain losses

Continuing concern about money supply following the latest banking statistics was reflected in fresh offerings of British Funds which, after opening lower at the Tuesday's evening's late levels, receded further. The heavier losses, extending to ½, were incurred by the longer maturities but at the lower prices yield considerations began to encourage cheap buying and a continuation of the movement from mid-day onwards eventually led to a return to overnight list levels. A similar trend at the shorter end of the market saw falls approaching 3/16 at the worst regained, and occasionally replaced by marginal gains. Treasury 8¼ per cent. 1982, for instance, fell to 95¼ before closing a net 1/16 harder at 95½. In business after the official close interest was sporadic but the trend held fully steady with selected longs improving fractionally. Corporations were irregular again, the losses often occurring in recently-issued scrips which registered falls to ½.

A revived demand for the purpose of investment in U.S. securities lifted rates for investment currency from around 65¾ per cent., which was an early reaction to sterling's firmness, up to 68¾ per cent. before a late decline to 66¾ per cent., a recovery of only ½ on balance. Yesterday's SE conversion factor was 0.8022 (0.8128).

### Banks improve

Encouraged by the latest banking figures for mid-December, the major clearers made progress in thin trading. Barclays gained 7 to 345p as did Midland to 395p, while Lloyds and NatWest also closed much better at the common level of 295p. Overseas issues, on the other hand, remained friendless. Commercial Bank of Australia lost 3 to 167p and the new nil-paid shares were 7 down at 36p premium. Hong Kong and Shanghai shed 7 to 228p. Hire Purchases reflected the sharp recovery in instalment credit business over recent months. F.C. Finance ended 3 up at 78p, while Wagon Finance and Lloyds and Scottish were both 2 better at 91p and 110p respectively. Among quietly firm Insurances, Sun Alliance rose 8 to 604p and Commercial Union 3 to 153p.

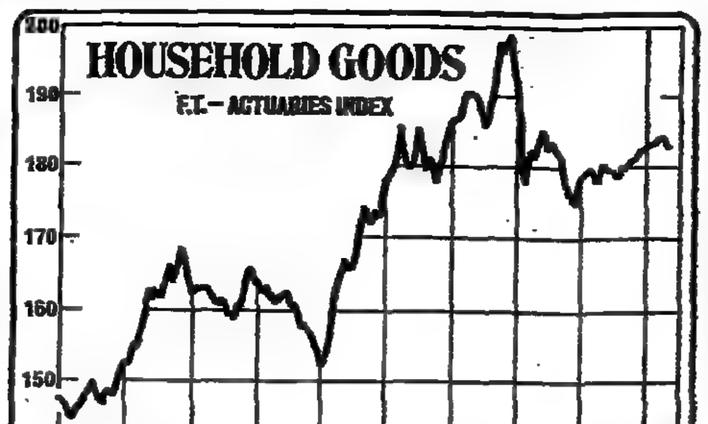
Breweries were quietly firm pending the outcome of Allied's application for a 3p a pint price increase. Allied closed marginally better at 90p. Elsewhere, Highland stood out with a jump of 9 to 149p in response to renewed speculative interest in a thin market.

International Timber were firm among Buildings, rising 5 to 136p, after 139p, on speculative buying fuelled by revived bid hopes. Westbrick Products were also popular at 37p, up 7, and Howard Shuttering closed 4 to the good at 33p. Taylor Woodrow eased 4 to 406p as did Magnet and Southerns, to 193p; the latter's interim figures are due next Wednesday.

ICI picked up 4 to 348p in thin trading. Elsewhere in Chemicals, Federated hardened a penny to 72p on the Board's acceptance of Dalgety's offer; the shares of the latter eased 5 to 229p.

### Stores steadier

Following Tuesday's weakness on fears of an increase in High Stret competition and a resulting squeeze on profit margins, leading Stores turned steadier yesterday. Gussies A rallied 3 to 302p and Marks and Spencer picked up a penny to 154p. UDS, however, cheapened a penny further to 91p. Elsewhere, Burton A met renewed interest and put on 2 to 113p. Northern Goldsmiths rose 4 to 46p but Wallis ended that much lower at 54p. A firm market of late on Press comment, Excalibur Jewellery relinquished a penny to 18½p following the proposed capitalisation issue. Raybeck softened a penny to 89p in front of to-day's interim results.




Racal provided the feature in Electrical sector, moving ahead on support in the late dealings and ending 9 to the good at 210p. In contrast, Muirhead gave up 4 to 178p, while the new shares closed 2 cheaper at 20p premium, after 19p premium. Telephone Rentals eased to 128p before picking up to close unaltered on balance at 132p, while Automated Security hardened a penny to 48p following an investment recommendation. Leading issues picked up from a dull start, GEC closing a net two up at 273p, after 269p.

Engineering majors made a little progress after slight initial dullness. A useful business developed in Tubes, which closed a few pence better at 392p, after 386p, while GKN firmed 4 more to 272p in anticipation of news of the company's appeal to the West German Federal Supreme Court on the Sachs AG deal. Vickers rallied 5 to 192p. Elsewhere, Davy International continued to reflect adverse Press mention and gave up 5 more to 244p, but renewed speculative demand was seen in Glynwed, 3½ dearer at 108p, after 100½p, while Birmingham Pallet were again favoured and put on 3 further to 70p. Still reflecting satisfaction with the interim statement, Brown and Tawse gained 2 more to 93p. Smaller-priced issues to make headway included Wheway Watson, 2 dearer at 16p, and Bristol Channel Ship Repairers, ½ dearer at 9½. On the other hand, Midland Industries encountered a little nervous selling in front of to-day's results and gave up 2 to 42p.

Following Tuesday's sharp reversal on fears about the implications of J. Sainsbury's price cuts, Food Retailers became quieter and closed with little alteration. J. Sainsbury held at 190p, while Kwik Save, 212p, and Wheatsheaf Distribution, 150p, shed 2 and 3 respectively. Bishop's Stores remained dull, losing 3 to 155p for a two-day reaction of 15. Fitch Lovell, at 63p, recouped 2 of the previous day's loss of 6, while Tesco, the instigator of the current price-cutting competition, closed ½ beter at 44p following Tuesday's fall of 5. Elsewhere, Barker and Dobson eased ½ to 13½p following unfavourable Press comment.

Vague rumours, later denied, that Trust Houses Forte (2 off at 188p) was considering a counter-bid for Pontin's created interest in the latter which hardened 1½ to 44p. Coral Leisure, the bidders, improved 8 to 130p. Reo Stakis edged u pa penny to 32p on the increased earnings, while Grand Metropolitan finished 2 better at 108p following Press comment. Ladbroke, at 202p, recouped half of the previous day's fall of 10; the company's bid for Leisure and General is not to be referred to the Monopolies Commission.

### Lon. Pavilion jump

Secondary Industrials again provide most of the day's features. London Pavilion were marked up 140 to 300p in a thin market on the chairman's disclosure that the Board has received several bid approaches in the last few weeks ranging up to £3 per share. Buying in thin markets prompted gains of 20 and 40 respectively in Edinburgh Ice Rink, 130p, and Charles Sharpe, 585p, while Halma moved up 5 to 55p following the sharply higher first-half profits and accompanying forecast for the full year. Elswick Hopper hardened a penny to 22p on an investment recommendation and Leigh Interests returned to favour with a gain of 4 at 160p. Durapipe were similarly better at 128p and Holt Lloyd International gained 3 to 144p. Redfearn National Glass, however, ran back 7 to 318p following the chairman's report that production in the first half of the current year is down and will adversely affect the interim profits performance. Profit-taking in the absence of take-over developments left Stanley Gibbons International 7 easier at 182p. Rank Organisation attracted renewed support ahead of the results due on January 23, and rose 6 to 258p.

ERF featured Motors and Distributors with a jump of 10 to 146p in reply to the first-half profits increase and scrip issue proposal. Dowty closed 3 harder at 168p reflecting the award of a £7m. Ministry of Defence contract, while Dunlop closed 2 better at 88p following publicity given to the company's major reorganisation plans. Kennings contrasted with a reaction of 2 to 78½p following the results, and other dull counters included Flight Refuelling, 113p, and H. Perry, 160p, down 5 apiece.

Paper Printings were noteworthy for a gain of 11 to 238p in McCorquodale following the annual profits upsurge. Mills and Allen International, on the other hand, receded 3 to 110p.

### Oil Ex. weaken

Trading in the Oil leaders was again quite brisk. Mainly reflecting Wall Street influences, British Petroleum reacted to 816p before settling at 820p for a loss of 8 on the day. Shell moved more narrowly and closed 2 lower at 516p, but among the speculative issues, Oil Explorations featured late at 276p, down 20, on vague rumours of a dry well. Tricentrol drifted lower to close 6 cheaper at 166p, but Siebens (U.K.) were in renewed demand and gained 4 more to 298p, after 304p.

Leading Properties opened easier but buyers showed interest at the lower levels and quotations were finally a shade dearer on balance. MEPC eased to 126p before rallying to 130p for a gain of a penny on the day. Other issues, however, encountered scattered selling. Hammerson "A" fell 10 to 573p in a limited market, while losses of around 5 were sustained by Percy Bilton, 181p, Bradford, 227p, and Evans of Leeds, 194p. Rush and Tompkins shed another 3 to 109p and A. and J. Mucklow were similarly lower at 115p. In contrast, Marler found support at 22p, up 4, along with Regalian, which gained 1½ to 11p.

Overseas Traders had occasional dull spots in Lonrho 3 off at 75p, and Gill and Duffus, which cheapened to 218p.

Although looking steadier in the late trade, Investment Trusts sill closed with widespread small falls. Border and Southern were again dull, losing 3 to 275p for a two-day fall of 13, while Dominion and General gave up 3 at 188p and Temple Bar 4 at 178p. Capital issues had M. and G. 3 off at 113p and Dualvest 7 cheaper at 218p.

RKT figured prominently in Textiles, rising 7 to 75p in a thin market. Levex gained 3½ to 18½p, encouraged by Press comment, while J. Bright, 42p, and Courtaulds, 118p, put on 2½ and 3 respectively. Rollas, however, finished 2 cheaper at 69p despite the increased first-half profits.

### Gold fields active

Continuing bid speculation concerning the Consolidated Gold Fields group dominated activity in mining markets. Gold Fields gave up 5 to 185p in active trading following Press comment playing down the likelihood of a bid for the company.

The company's South African arm—Gold Fields of South Africa—advanced ½ to £10½ on market suggestions of a possible take-over for the company by another South African Finance House, coupled with talk of switching into GFSA from "Amgold." The latter were unaltered at £14½.

Among other South African Financials small scattered selling in an unwilling market lowered "Johnnies" a half point to a 1977-78 low of £10.

South African Golds displayed a mixed trend. Prices moved ahead at the outset of business reflecting the steadiness of the metal price in the morning but the afternoon downturn in the latter prompted modest U.S. offerings which left prices around their opening levels at the close.

The bullion price was finally 75 cents easier at $172.875 per ounce, while the Gold Mines index was unaltered at 139.0.

Rhodesians encountered profit-taking after the recent strong gains. Falcon relinquished 5 to 185p.

Further dullness in overnight domestic markets led to widespread falls in Australians. Conzinc Riotinto dropped 8 more to 136p, MIM Holdings 4 to 123p and Bougainville 2 to 64p.

Pahang Consolidated, which returned to market trading on Monday, featured in an otherwise easier Tins section; the shares put on 4 more to 46p on Eastern advices. Elsewhere, overnight Canadian selling lowered Sabina 6 to 34p, after 32½p.

## RISES AND FALLS YESTERDAY

| | Up | Down | Same |
|---|---|---|---|
| British Funds | 8 | 7 | 59 |
| Corpns., Dom. and Foreign Bonds | 15 | 22 | 29 |
| Industrials | 260 | 402 | 900 |
| Financial and Prop. | 65 | 197 | 261 |
| Oils | 5 | 17 | 11 |
| Plantation | 4 | 4 | 26 |
| Mines | 18 | 33 | 52 |
| Recent Issues | 1 | 18 | 33 |
| Totals | 376 | 736 | 1,375 |

## FINANCIAL TIMES STOCK INDICES

| | Jan. 11 | Jan. 10 | Jan. 9 | Jan. 6 | Jan. 5 | Jan. 4 |
|---|---|---|---|---|---|---|
| Government Secs. | 77.27 | 77.29 | 77.89 | 77.86 | 78.09 | 78.15 |
| Fixed Interest | 80.58 | 80.93 | 81.27 | 81.22 | 81.19 | 81.17 |
| Industrial Ordinary | 487.2 | 484.5 | 491.7 | 482.5 | 494.5 | 487.6 |
| Gold Mines | 139.0 | 139.0 | 138.9 | 136.6 | 130.5 | 138.5 |
| Ord. Div. Yield | 5.52 | 5.55 | 5.47 | 5.41 | 5.42 | 5.50 |
| Earnings Y'ld% (full) | 16.78 | 16.83 | 16.60 | 16.45 | 16.47 | 16.75 |
| P/E Ratio (net) (*) | 8.45 | 8.45 | 8.55 | 8.62 | 8.61 | 8.48 |
| Dealings marked | 5,978 | 7,130 | 6,868 | 6,426 | 8,231 | 4,747 |
| Equity turnover £m. | — | 98.23 | 66.19 | 87.25 | 76.96 | 60.34 |
| Equity bargains total | — | 18,641 | 17,916 | 18,131 | 15,867 | 14,715 |

10 a.m. 482.2. 11 a.m. 482.3. Noon 484.4. 1 p.m. 486.1. 2 p.m. 486.1. 3 p.m. 486.4. [illegible]

* Based on 52 per cent. corporation tax. [illegible]

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

## HIGHS AND LOWS

| — | 1977/78 High | 1977/78 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|
| Govt. Secs. | 79.85 (5/9) | 60.45 (4/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int. | 81.27 (9/1/78) | 60.49 (4/1) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 549.2 (14/9) | 357.6 (13/1) | 549.2 (14/9/77) | 49.4 (26/6/40) |
| Gold Mines | 174.6 (19/10) | 95.1 (1/2) | 442.3 (22/5/75) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| — | Jan. 11 | Jan. 10 |
|---|---|---|
| —Daily | | |
| Gilt Edged | 207.6 | [illegible] |
| Industrials | 206.3 | [illegible] |
| Speculative | 49.5 | [illegible] |
| Totals | 138.1 | [illegible] |
| 5-day Average | | |
| Gilt Edged | 215.9 | [illegible] |
| Industrials | 227.2 | [illegible] |
| Speculative | 47.3 | [illegible] |
| Totals | 148.5 | [illegible] |

## OPTIONS TRADED

**DEALING DATES**

| First Deal- ings | Last Deal- ings | Last Declara- tion | For Settle- ment |
|---|---|---|---|
| Jan. 11 | Jan. 23 | Apr. 13 | Apr. 25 |
| Jan. 24 | Feb. 6 | Apr. 27 | May 10 |
| Feb. 7 | Feb. 20 | May 11 | May 23 |

*For rate indications see end of Share Information Service*

Money was given for the call of FNFC, Ladbroke Warrants, Thomson Organisation, Scottish and Newcastle Breweries, Lonrho, Sellncourt, Cons. Gold Fields, Britannia Arrow, British Vending, Shell Transport, ICL, Furness Withy, English Property, Cons. Plantations Warrants, [illegible]enhams, Law Land, [illegible] Property, Tricentrol P. & [illegible] ferred, Ladbroke Wa[illegible] Christy Bros., EMI, Tow[illegible] City, Swan Hunter, ICL, [illegible] Land, BP, Penine Motor, V[illegible] Empress Services, Siebens and Levex. A put was do[illegible] Tesco, while doubles [illegible] arranged in Thomson Org[illegible]tion, Tarmac, Britannia A[illegible] Christie Tyler, Radley Fash[illegible] TACE, Ladbroke Warrants, Law Land. Shortdated calls transacted in Lonrho, EMI, Swan Hunter.

## NEW HIGHS AND LOWS FOR 1977/78

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1977-78.

**NEW HIGHS (64)**

[illegible]

**NEW LOWS (43)**

[illegible]

## FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

**EQUITY GROUPS**

**GROUPS & SUB-SECTIONS**

Figures in parentheses show number of stocks per section

| | | Wed., Jan. 11, 1978 Index No. | Day's Change % | Est. Earnings Yield% (Max.) Corp. Tax 52% | Gross Div. Yield% (ACT at 34%) | Est. P/E Ratio (Net.) Corp. Tax 52% | Tues. Jan. 10 Index No. | Mon. Jan. 9 Index No. | Fri. Jan. 6 Index No. | Thurs. Jan. 5 Index No. |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS(170) | 213.99 | +0.1 | 16.76 | 5.53 | 8.44 | 211.16 | 213.67 | 214.04 | 212.72 |
| 2 | Building Materials(27) | 195.12 | −0.3 | 15.79 | 5.41 | 9.05 | 195.76 | 197.57 | 197.86 | 195.39 |
| 3 | Contracting, Construction (26) | 340.18 | −0.8 | 17.05 | 3.72 | 8.53 | 342.86 | 348.37 | 350.75 | 348.05 |
| 4 | Electricals (15) | 458.42 | +0.6 | 14.55 | 3.85 | 9.89 | 455.56 | 461.70 | 464.54 | 464.37 |
| 5 | Engineering Contractors(13) | 298.34 | −0.3 | 19.67 | 6.28 | 6.96 | 299.12 | 306.96 | 307.65 | 304.10 |
| 6 | Mechanical Engineering(72) | 164.73 | −0.1 | 17.68 | 6.25 | 8.09 | 164.83 | 166.52 | 166.11 | 164.93 |
| 8 | Metals and Metal Forming(17) | 163.01 | +0.9 | 19.37 | 8.66 | 6.63 | 161.60 | 162.83 | 162.47 | 161.90 |
| | CONSUMER GOODS | | | | | | | | | |
| 11 | (DURABLE(53) | 193.97 | +0.5 | 17.19 | 4.76 | 8.49 | 192.93 | 195.81 | 196.67 | 195.25 |
| 12 | Lt. Electronics, Radio TV (15) | 232.71 | +0.9 | 15.14 | 3.53 | 9.54 | 230.56 | 235.04 | 235.96 | 235.12 |
| 13 | Household Goods (12) | 182.77 | −0.3 | 17.05 | 6.42 | 8.02 | 183.24 | 184.33 | 184.32 | 183.82 |
| 14 | Motors and Distributors(26) | 117.81 | +0.1 | 20.48 | 6.30 | 7.32 | 117.66 | 118.86 | 119.61 | 117.92 |
| | CONSUMER GOODS | | | | | | | | | |
| 21 | (NON-DURABLE)(175) | 202.52 | +0.4 | 15.27 | 5.63 | 9.46 | 201.73 | 206.10 | 207.25 | 205.66 |
| 22 | Breweries (14) | 228.39 | +0.2 | 14.27 | 5.76 | 10.50 | 227.86 | 231.80 | 233.12 | 228.02 |
| 23 | Wines and Spirit (6) | 244.30 | +0.2 | 16.68 | 5.65 | 8.99 | 243.82 | 247.52 | 249.65 | 249.50 |
| 24 | Entertainment, Catering (18) | 262.58 | +1.0 | 13.67 | 6.52 | 11.16 | 259.98 | 264.64 | 269.17 | 267.88 |
| 25 | Food Manufacturing (22) | 199.09 | +0.2 | 20.05 | 5.33 | 7.18 | 198.69 | 202.13 | 203.38 | 202.30 |
| 26 | Food Retailing (16) | 207.72 | +0.1 | 13.05 | 4.35 | 11.15 | 207.58 | 222.08 | 223.72 | 219.57 |
| 32 | Newspapers, Publishing (13) | 353.52 | +0.4 | 9.24 | 3.52 | 16.26 | 352.22 | 360.21 | 368.82 | 359.06 |
| 33 | Packaging and Paper (15) | 130.12 | — | 19.62 | 8.77 | 7.27 | 133.17 | 134.90 | 135.99 | 133.49 |
| 34 | Stores (37) | 192.11 | +0.2 | 10.04 | 4.13 | 15.70 | 191.75 | 197.00 | 197.55 | 197.04 |
| 35 | Textiles (25) | 174.09 | +0.7 | 19.96 | 7.60 | 6.35 | 172.83 | 174.33 | 175.17 | 173.25 |
| 36 | Tobaccos (3) | 225.88 | +1.3 | 21.39 | 7.97 | 6.23 | 222.94 | 228.48 | 226.11 | 224.53 |
| 37 | Toys and Games (6) | 101.48 | +0.7 | 20.35 | 5.86 | 6.57 | 100.70 | 101.93 | 100.34 | 99.88 |
| 41 | OTHER GROUPS(98) | 193.42 | +0.3 | 16.12 | 5.57 | 8.46 | 192.86 | 194.78 | 196.66 | 196.24 |
| 42 | Chemicals(21) | 257.66 | +0.8 | 19.15 | 6.49 | 7.37 | 255.72 | 258.33 | 262.25 | 261.98 |
| 43 | Pharmaceutical Products (7) | 259.31 | — | 10.63 | 3.75 | 12.06 | 259.39 | 261.15 | 262.96 | 262.35 |
| 44 | Office Equipment (6) | 131.08 | +1.6 | 17.37 | 4.38 | 7.48 | 129.05 | 130.29 | 132.72 | 133.13 |
| 45 | Shipping (10) | 472.18 | — | 20.85 | 6.20 | 5.66 | 472.19 | 476.43 | 485.01 | 482.88 |
| 46 | Miscellaneous (54) | 205.70 | −0.2 | 15.21 | 5.95 | 9.32 | 206.12 | 208.63 | 209.16 | 208.23 |
| 49 | INDUSTRIAL GROUP (496) | 208.67 | +0.3 | 15.98 | 5.53 | 8.87 | 208.03 | 211.34 | 212.52 | 211.26 |
| 51 | Oils (4) | 461.30 | −0.7 | 15.09 | 4.24 | 8.06 | 464.64 | 468.73 | 472.64 | 479.54 |
| 59 | 500 SHARE INDEX | 229.88 | +0.2 | 15.85 | 5.34 | 8.74 | 229.52 | 232.93 | 234.32 | 239.65 |
| 61 | FINANCIAL GROUP (100) | 176.06 | +0.7 | — | 4.97 | — | 174.86 | 178.38 | 178.96 | 177.85 |
| 62 | Banks (6) | 202.67 | +2.0 | 24.31 | 5.05 | 6.28 | 198.62 | 202.85 | 203.04 | 204.03 |
| 63 | Discount Houses (10) | 218.70 | −0.8 | — | 7.55 | — | 220.41 | 226.35 | 226.11 | 226.11 |
| 64 | Hire Purchase (5) | 168.51 | +1.6 | 11.05 | 4.63 | 13.39 | 165.90 | 169.48 | 169.34 | 167.65 |
| 65 | Insurance (Life) (10) | 146.64 | −0.1 | — | 5.65 | — | 146.75 | 150.93 | 151.39 | 148.19 |
| 66 | Insurance (Composite) (7) | 139.91 | +0.8 | — | 5.75 | — | 138.75 | 142.23 | 143.46 | 142.42 |
| 67 | Insurance Brokers (10) | 328.94 | −0.5 | 12.91 | 4.16 | 11.35 | 330.49 | 333.71 | 334.82 | 332.84 |
| 68 | Merchant Banks (14) | 84.20 | — | — | 5.56 | — | 84.28 | 85.17 | 85.22 | 83.67 |
| 69 | Property (31) | 249.34 | −0.2 | 2.76 | 2.74 | 67.93 | [illegible] | [illegible] | [illegible] | [illegible] |
| 70 | Miscellaneous (7) | 102.69 | −0.4 | 23.27 | 7.39 | 6.01 | [illegible] | [illegible] | [illegible] | [illegible] |
| 71 | Investment Trusts (50) | [illegible] | [illegible] | — | [illegible] | — | [illegible] | [illegible] | [illegible] | [illegible] |
| 81 | Mining Finance (4) | 91.26 | −1.3 | 17.06 | 6.62 | 7.05 | [illegible] | [illegible] | [illegible] | [illegible] |
| 91 | Overseas Traders (19) | [illegible] | −1.0 | 17.31 | [illegible] | 7.35 | [illegible] | [illegible] | [illegible] | [illegible] |
| 99 | ALL-SHARE INDEX (673) | 213.80 | +0.2 | — | 5.30 | — | 213.43 | 214.71 | 217.99 | 217.22 |

**FIXED INTEREST PRICE INDICES**

| | British Government | Wed. Jan. 11 | Day's change % | xd adj. To-day | xd adj. 1978 to date |
|---|---|---|---|---|---|
| 1 | Under 5 years | [illegible] | [illegible] | — | [illegible] |
| 2 | 5-15 years | [illegible] | [illegible] | — | [illegible] |
| 3 | Over 15 years | [illegible] | [illegible] | — | [illegible] |
| 4 | Irredeemables | [illegible] | [illegible] | — | [illegible] |
| 5 | All stocks | [illegible] | [illegible] | — | [illegible] |

**FIXED INTEREST YIELDS** Br. Govt. Av. Gross Red.

| | | | Wed. Jan. 11 | Tues. Jan. 10 |
|---|---|---|---|---|
| 6 | Low Coupons | 5 years | [illegible] | [illegible] |
| 7 | | 15 years | [illegible] | [illegible] |
| 8 | | 25 years | [illegible] | [illegible] |
| 9 | Medium Coupons | 5 years | [illegible] | [illegible] |
| 10 | | 15 years | [illegible] | [illegible] |
| 11 | | 25 years | [illegible] | [illegible] |
| 12 | High Coupons | 5 years | [illegible] | [illegible] |
| 13 | | 15 years | [illegible] | [illegible] |
| 14 | | 25 years | [illegible] | [illegible] |
| 15 | Irredeemables | | [illegible] | [illegible] |

| | | Wed., Jan. 11 Index No. | Yield % | Tues. Jan. 10 | Monday Jan. 9 | Friday Jan. 6 | Thurs. Jan. 5 | Wed. Jan. 4 | Tues. Jan. 3 | Friday Dec. 30 |
|---|---|---|---|---|---|---|---|---|---|---|
| 15 | 20-yr. Red. Deb. & Loans (15) | 62.99 | 11.79 | 63.43 | 63.51 | 63.51 | 63.36 | 62.99 | 62.60 | 62.48 |
| 16 | Investment Trust Prefs. (15) | 57.71 | 12.11 | 57.57 | 57.57 | 57.68 | 57.33 | 56.06 | 55.73 | 55.72 |
| 17 | Coml. and Indl. Prefs. (20) | 76.60 | 11.45 | 76.53 | 75.51 | 77.71 | 77.50 | 77.20 | 76.93 | 76.73 |

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p.

## RECENT ISSUES

### EQUITIES

| Issue Price p | Amount Paid up | Latest Renunc. Date | 1977 High | 1977 Low | Stock | Closing Price p | + or − | Div. | Times Covered | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | ERGO (R0.50) | [illegible] | [illegible] | [illegible] | [illegible] | 5.6 | — |
| 104 | F.P. | 20/1 | [illegible] | [illegible] | Fleming Pioneer (S.W.) | [illegible] | [illegible] | [illegible] | [illegible] | 9.4 | 7.0 |
| [illegible] | F.P. | [illegible] | [illegible] | [illegible] | Holden (A.) | [illegible] | [illegible] | [illegible] | [illegible] | 7.7 | 5.8 |
| 52 | 25p | 27/1 | [illegible] | [illegible] | L.M.L. 25p pd. | [illegible] | [illegible] | [illegible] | [illegible] | 8.8 | 6.1 |

### FIXED INTEREST STOCKS

[illegible]

### "RIGHTS" OFFERS

| Issue Price p | Amount Paid up | Latest Renunc. Date | 1977 High | 1977 Low | Stock | Closing Price p | + or − |
|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| 171½ | F.P. | 23/12 | 18/1 | 33½ | Pawson W. L. | 32 | — |
| 70 | F.P. | 16/12 | 7/1 | 90 | Record Ridgway | [illegible] | — |
| 10 | nil | 19/11 | 16/2 | 4pm | Sturla (Geo.) | 1½pm | +½ |
| 165 | F.P. | 12/1 | 18/1 | 298 | Utd. Scientific | 292 | — |
| 40 | F.P. | 3/1 | 27/1 | 43 | Williams (J. Cardiff) | 41 | −1 |

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of Ordinary shares as a "rights." ** Rights by way of capitalisation. †† Minimum tender price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. || Introduction. □ Issued to former Preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

## ACTIVE STOCKS

| Stock | Denomination | No. of marks | Closing price (p) | Change on day | 1977-78 high | 1977-78 low |
|---|---|---|---|---|---|---|
| BP | £1 | 14 | 830 | − 8 | 966 | 776 |
| GKN | £1 | 10 | 272 | + 4 | 369 | 260 |
| Barclays Bank | £1 | 9 | 345 | + 7 | 350 | 228 |
| ICI | £1 | 9 | 348 | + 4 | 446 | 325 |
| Pontin's | 10p | 8 | 44 | + 1½ | 45 | 22½ |
| Rank Org. | 25p | 8 | 258 | + 6 | 278 | 128 |
| Shell Transport | 25p | 8 | 516 | − 2 | 635 | 454 |
| Burmah Oil | £1 | 7 | 52 | − 2 | 83 | 41 |
| Exchange T'graph | 25p | 7 | 100 | — | 104 | 65 |
| Glynwed | 25p | 7 | 108 | + 3½ | 121 | 74 |
| GUS "A" | 25p | 7 | 302 | + 2 | 347 | 176 |
| Racal Electronics | 25p | 7 | 210 | + 9 | 270 | 118 |
| BATs Defd. | 25p | 6 | 222 | + 2 | 260 | 202 |
| Barker & Dobson | 10p | 6 | 13½ | − ½ | 15 | 3½ |
| Beecham | 25p | 6 | 665 | + 3 | 693 | 372 |



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# AUTHORISED UNIT TRUSTS

# OFFSHORE AND OVERSEAS FUNDS

# INSURANCE, PROPERTY, BONDS

**CLIVE INVESTMENTS LIMITED**
Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101
Index Guide as at 11th January, 1978 (Base 100 at 14.1.77)

| | |
|---|---|
| Clive Fixed Interest Capital | 134.97 |
| Clive Fixed Interest Income | 127.53 |

**CORAL INDEX: Close 486-491**

## INSURANCE BASE RATES

| | |
|---|---|
| † Property Growth | 8½% |
| Cannon Assurance | 4½% |

† Address shown under Insurance and Property Bond Table

## BASE LENDING RATES

| | | | |
|---|---|---|---|
| A.B.N. Bank | 6½% | ■ Hill Samuel § | 7 % |
| Allied Irish Banks Ltd. | 6½% | C. Hoare & Co. † | 6½% |
| American Express Bk. | 6½% | Julian S. Hodge | 7½% |
| Amro Bank | 6½% | Hongkong & Shanghai | 6½% |
| A P Bank Ltd. | 7 % | Industrial Bk. of Scot. | 7 % |
| Henry Ansbacher | 6½% | Keyser Ullmann | 7 % |
| Banco de Bilbao | 6½% | Knowsley & Co. Ltd. | 9 % |
| Bank of Credit & Cmce. | 6½% | Lloyds Bank | 6½% |
| Bank of Cyprus | 6½% | London & European | 8½% |
| Bank of N.S.W. | 6½% | London Mercantile | 6½% |
| Banque Belge Ltd | 6½% | Midland Bank | 6½% |
| Banque du Rhone | 7 % | ■ Samuel Montagu | 6½% |
| Barclays Bank | 6½% | ■ Morgan Grenfell | 6½% |
| Barnett Christie Ltd. | 8½% | National Westminster | 6½% |
| Bremar Holdings Ltd. | 7½% | Norwich General Trust | 6½% |
| Brit. Bank of Mid. East | 6½% | P. S. Refson & Co. | 6½% |
| Brown Shipley | 6½% | Rossminster Accept'cs | 6½% |
| Canada Permanent AFI | 6½% | Royal Bk Canada Trust | 6½% |
| Capitol C & C Fin. Ltd. | 9 % | Schlesinger Limited | 7 % |
| Cayzer Ltd. | 7 % | E. S. Schwab | 8½% |
| Cedar Holdings | 8 % | Security Trust Co. Ltd. | 7½% |
| Charterhouse Japhet | 6½% | Shenley Trust | 9½% |
| C. E. Coates | 7½% | Standard Chartered | 6½% |
| Consolidated Credits | 7½% | Trade Dev. Bank | 7½% |
| Co-operative Bank | 6½% | Trustee Savings Bank | 6½% |
| Corinthian Securities | 6½% | Twentieth Century Bk. | 7½% |
| Credit Lyonnais | 6½% | United Bank of Kuwait | 6½% |
| The Cyprus Popular Bk. | 6½% | Whiteaway Laidlaw | 7 % |
| Duncan Lawrie ¶ | 6½% | Williams & Glyn's | 6½% |
| Eagil Trust | 6½% | Yorkshire Bank | 6½% |
| English Transcont. | 8 % | | |
| First London Secs. | 6½% | | |
| First Nat. Fin. Corpn. | 9 % | | |
| First Nat. Secs. Ltd. | 8 % | | |
| Antony Gibbs | 6½% | | |
| Goode Durrant Trust | 7½% | | |
| Greyhound Guaranty | 6½% | | |
| Grindlays Bank ‡ | 6½% | | |
| Guinness Mahon | 6½% | | |
| Hambros Bank | 6½% | | |

■ Members of the Accepting Houses Committee.
* 7-day deposits 3%, 1-month deposits 3½%.
† 7-day deposits on sums of £10,000 and under 3%, up to £25,000 3½% and over £25,000 4½%.
‡ Call deposits over £1,000 3%.
§ Demand deposits 4½%.
¶ Rate also applies to Sterling Ind. Secs.

# LEADERS AND LAGGARDS

The following table shows the percentage changes† which have taken place since December 31, 1976, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

| | | | |
|---|---|---|---|
| Contracting and Construction | +108.45 | Industrial Group | + 48.45 |
| Hire Purchase | +106.09 | Packaging and Paper | + 47.74 |
| Engineering Contractors | + 80.94 | Merchant Banks | + 47.56 |
| Property | + 80.19 | Metal and Metal Forming | + 46.56 |
| Electronics, Radio and TV | + 79.55 | Textiles | + 43.78 |
| Building Materials | + 78.47 | Discount Houses | + 42.78 |
| Office Equipment | + 77.00 | 500 Share Index | + 40.46 |
| Newspapers and Publishing | + 75.36 | All-Share Index | + 40.45 |
| [illegible] | + 73.64 | Banks | + 36.20 |
| Chemicals | + 72.54 | Insurance Brokers | + 35.52 |
| Consumer Goods (Durable) Group | + 66.82 | Toys and Games | + 34.97 |
| Retailing | + 63.64 | Other Groups | + 34.77 |
| Capital Goods Group | + 59.98 | Mechanical Engineering | + 34.32 |
| Wines and Spirits | + 55.23 | Food Manufacturing | + 33.79 |
| Breweries | + 53.29 | Overseas Traders | + 32.45 |
| Motors and Distributors | + 53.22 | Chemicals | + 25.25 |
| Insurance (Composite) | + 53.15 | Investment Trusts | + 23.66 |
| Insurance (Life) | + 53.06 | Shipping | + 19.54 |
| Household Goods | + 52.81 | Gold Mines F.T. | + 11.63 |
| Financial Group | + 50.64 | Mining Finance | + 9.44 |
| Entertainment and Catering | + 49.57 | Tobaccos | + 9.83 |
| Consumer Goods (Non-Dur.) Group | + 48.80 | Oils | + 7.37 |

† Percentage changes based on Tuesday, January 10, 1978 indices

**Welfare Insurance Co. Ltd.♥**
The Leas, Folkestone, Kent. 0303 57333

| | | | | |
|---|---|---|---|---|
| Moneymaker Fd. | | 102.7 | ..... | — |

For other funds, please refer to The London & Manchester Group.

**Windsor Life Assur. Co. Ltd.**
1 High Street, Windsor. Windsor 68144

| | | | | |
|---|---|---|---|---|
| Life Inv. Plans | 68.4 | 72.0 | .. | — |
| FutureAssd.Gth(a) | | 19.0 | ..... | — |
| FutureAssd.Gth(b) | | 47.0 | ..... | — |
| Ret. Assd. Pens | | £27.75 | ... | — |
| Flex. Inv. Growth | 106.4 | 112.0 | .... | — |

## NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ‡ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

# FT SHARE INFORMATION SERVICE

## **BRITISH FUNDS

### "Shorts" (Lives up to Five Years)

| 1977-78 High | Low | Stock | £ | + or − | Yield Int. | Red. |
|---|---|---|---|---|---|---|
| 101⅛ | 95⅝ | Treasury 9pc 1978‡‡ | 100⅛ | ...... | 8.95 | 5.94 |
| 104⅛ | 97⅜ | Treasury 10½pc '78‡‡ | 102⅝xd | ...... | 10.23 | 5.22 |
| 100⅛ | 90⅞ | Exch. 5pc '76-78‡‡ | 99⅞ | ...... | 5.03 | 5.80 |
| 107 | 95⅞ | Treasury 11½pc '79‡‡ | 104⅞ | ...... | 10.96 | 6.93 |
| 97¾ | 84⅞ | Treasury 3pc '79‡‡ | 95½ | −¼ | 3.14 | 5.84 |
| 98¾ | 85⅛ | Electric 4½pc '74-79 | 96½ | −¼ | 4.40 | 6.44 |
| 106⅜ | 92 | Treasury 10½pc '79‡‡ | 104⅛ | −⅛ | 10.05 | 7.79 |
| 97⅝ | 84⅞ | Electric 3½pc '76-79 | 96 | ...... | 3.65 | 5.82 |
| 107 | 87¾ | Treasury 9pc 1980‡‡ | 102⅝ | −⅛ | 8.77 | 7.55 |
| 105¾ | 88⅝ | Treasury 9½pc '80‡‡ | 102⅝ | +⅛ | 9.26 | 8.24 |
| 96 | 82⅞ | Treasury 3½pc '77-80 | 94¾ | ...... | 3.69 | 5.85 |
| 98¾ | 83⅞ | Funding 5½pc '78-80‡‡ | 96 | ...... | 5.47 | 7.07 |
| 112⅞ | 96⅞ | Exchequer 13pc 1980‡‡ | 109⅞ | +⅛ | 11.88 | 9.17 |
| 108⅞ | 92⅞ | Treasury 11½pc 1981‡‡ | 105⅝xd | +⅛ | 10.89 | 9.31 |
| 94¼ | 77⅞ | Treasury 3½pc 1979-81 | 91½xd | ...... | 3.83 | 6.59 |
| 104 | 86⅞ | Treasury 9¾pc 1981‡‡ | 100⅞ | +⅛ | 9.67 | 9.42 |
| 97⅞ | 96⅝ | Exch. 8¼pc 1981 | 96½ | +⅛ | 8.55 | 9.47 |
| 103½ | 97½ | Exch. 9½pc 1981 | 100⅞xd | +¼ | 9.46 | 9.37 |
| 92⅛ | 87¾ | Exch. 3pc 1981 | 87¾ | ...... | 3.42 | 6.90 |
| 98¾ | 96⅛ | Treas. Variable '81‡‡ | 96¼ | ...... | 6.63 | 7.52 |
| 113⅞ | 96¼ | Exch. 12¾pc 1981‡‡ | 110⅞ | +⅛ | 11.55 | 9.59 |
| 100⅝ | 82⅞ | Treas. 8½pc '80-82‡‡ | 98⅝xd | ...... | 8.62 | 8.92 |
| 93⅛ | 71⅝ | Treasury 3pc '82‡‡ | 85⅝xd | −⅛ | 3.50 | 7.12 |
| 119⅞ | 101⅝ | Treasury 14pc '82‡‡ | 114½ | −⅛ | 12.23 | 9.69 |
| 98½ | 95¾ | Treas. Variable '82‡‡ | 95¾ | ...... | 6.67 | 7.55 |
| 98⅛ | 93⅝ | Treasury 8¼pc '82 | 95¾ | +⅛ | 8.62 | 9.44 |
| 102⅛ | 93⅝ | Exch. 9¼pc '82 | 99½ | −⅛ | 9.33 | 9.47 |

### Five to Fifteen Years

[illegible]

### Over Fifteen Years

[illegible]

### Undated

[illegible]

## **INTERNATIONAL BANK

[illegible]

## **CORPORATION LOANS

[illegible]

## COMMONWEALTH & AFRICAN LOANS

[illegible]

## LOANS

### Public Board and Ind.

[illegible]

### Financial

[illegible]

## FOREIGN BONDS & RAILS

[illegible]

U.S. $ & DM prices exclude inv. $ premium

## AMERICANS

[illegible]

## AMERICANS—Continued

[illegible]

S.E. List Premium 24½% (based on $US1.9320 per £)

Conversion factor 0.8022 (0.8128)

## CANADIANS

[illegible]

S.E. List Premium 24½% (based on $2.1287 per £)

## BANKS AND HIRE PURCHASE

[illegible]

### Hire Purchase, etc.

[illegible]

## BEERS, WINES AND SPIRITS

[illegible]

## BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

## BUILDING INDUSTRY—Cont.

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## CINEMAS, THEATRES AND TV

[illegible]

## DRAPERY AND STORES

[illegible]

## DRAPERY AND STORES—Cont.

[illegible]

## ELECTRICAL AND RADIO

[illegible]

## ENGINEERING MACHINE TOOLS

[illegible]

## ENGINEERING—Continued

[illegible]

## FOOD, GROCERIES, ETC.

[illegible]

## HOTELS AND CATERERS

[illegible]

## HOTELS—Continued

[illegible]

## INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

## INDUSTRIALS—Continued

[illegible]

## INSURANCE

[illegible]

## INSURANCE—Continued

[illegible]

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

[illegible]

### Commercial Vehicles

[illegible]

### Components

[illegible]

### Garages and Distributors

[illegible]

## NEWSPAPERS, PUBLISHERS

[illegible]

## PAPER, PRINTING ADVERTISING

[illegible]

## PROPERTY

[illegible]

## PROPERTY—Continued

[illegible]

## SHIPBUILDERS, REPAIRERS

[illegible]

## SHIPPING

[illegible]

## SHOES AND LEATHER

[illegible]

## SOUTH AFRICANS

[illegible]

## TEXTILES

[illegible]

## TOBACCOS

[illegible]

## TRUSTS, FINANCE, LAND

### Investment Trusts

[illegible]

## INV. TRUSTS—Continued

[illegible]

### Finance, Land, etc.

[illegible]

## FINANCE, LAND—Continued

[illegible]

## OILS

[illegible]

## OVERSEAS TRADERS

[illegible]

## RUBBERS AND SISALS

[illegible]

## TEAS

### India and Bangladesh

[illegible]

### Sri Lanka

[illegible]

### Africa

[illegible]

## MINES

### CENTRAL RAND

[illegible]

### EASTERN RAND

[illegible]

### FAR WEST RAND

[illegible]

### O.F.S.

[illegible]

### FINANCE

[illegible]

### DIAMOND AND PLATINUM

[illegible]



## MINES—Continued

### CENTRAL AFRICAN

| 1977-78 High | Low | Stock | Price | + or — | Div. Net | Cvr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 195 | 70 | Falcon Rh 50c | 185 | -5 | Q50c | ϕ | 25.2 |
| 22 | 9 | Rhod'n Corp 16½p | 21 | -1 | 0.57 | 4.3 | 4.1 |
| 165 | 52 | Roan Cons. K4 | 52 | ...... | — | — | — |
| 164 | 115 | Tanganyika 50p | 137 | ...... | Q11.0 | 1.1 | 8.0 |
| 80 | 70 | Do. Pref 80p | 78 | ...... | Q9% | 16.4 | 9.2 |
| 42 | 27 | Wankie Col. Rh1 | 39 | -1 | Q7½c | 1.4 | 16.4 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

### AUSTRALIAN

[illegible]

### TINS

[illegible]

### COPPER

[illegible]

### MISCELLANEOUS

[illegible]

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ϕ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ÷ Regional price.
- II No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Cover and P/E ratio exclude profits of U.K. aerospace subsidiaries. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1977-78. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1978. P Dividend and yield based on prospectus or other official estimates for 1977. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 34

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £400 per annum for each security

## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| | | |
|---|---|---|
| Albany Inv. 20p | 23 | ...... |
| Ash Spinning | 41 | ...... |
| Bertam | 19 | ...... |
| Bdg'wtr. Est. 50p | 282 | ...... |
| Clover Croft | 23 | ...... |
| Craig & Rose £1 | 380 | ...... |
| Dyson (R.A.) | 35 | ...... |
| Ellis & McHdy | 65 | ...... |
| Evans Fr'k. 10p | 27 | ...... |
| Evered | 17 | ...... |
| Fife Forge | 47 | ...... |
| Finlay Pkg. 5p | 20½ | ...... |
| Graig Ship. £1 | 240 | ...... |
| Higsons Brew | 142 | ...... |
| I.O.M. Stm. £1 | 142 | ...... |
| Holt (Jos.) 25p | 237 | ...... |
| N'thn. Goldsmith | 46 | +4 |
| Pearce (C. H.) | 122 | +10 |
| Peel Mills | 17 | ...... |
| Sheffield Brick | 48 | +3 |
| Sheff. Refrshmt. | 50 | ...... |
| Shiloh Spinn | 20 | ...... |
| Sindall (Wm.) | 85 | +2 |

IRISH

| | | |
|---|---|---|
| Conv. 9% '80/82 | £98½ | -¼ |
| Alliance Gas | 70 | -5 |
| Arnott | 315 | ...... |
| Carroll (P.J.) | 115xd | +3 |
| Clondalkin | 88 | -2 |
| Concrete Prods. | 125 | ...... |
| Heiton (Hldgs.) | 50 | ...... |
| Ins. Corp. | 160 | ...... |
| Irish Ropes | 105xc | +2 |
| Jacob | 58 | -2 |
| Sunbeam | 29 | ...... |
| T.M.G. | 188 | ...... |
| Unidare | 75 | ...... |

## OPTIONS
## 3-month Call Rates

| | |
|---|---|
| **Industrials** | |
| A. Brew | 6½ |
| A.P. Cement | 18 |
| B.S.R. | 11 |
| Babcock | 10 |
| Barclays Bank | 25 |
| Beecham | 38 |
| Boots Drug | 15 |
| Bowaters | 16 |
| B.A.T. | 24 |
| British Oxygen | 6 |
| Brown (J.) | 20 |
| Burton 'A' | 9 |
| Cadburys | 5 |
| Courtaulds | 10 |
| Debenhams | 10 |
| Distillers | 13 |
| Dunlop | 8½ |
| Eagle Star | 11 |
| E.M.I. | 18 |
| Gen. Accident | 17 |
| Gen. Electric | 16 |
| Glaxo | 40 |
| Grand Met. | 9 |
| G.U.S. 'A' | 18 |
| Guardian | 18 |
| G.K.N. | 22 |
| Hawker Sidd. | 60 |
| House of Fraser | 12 |
| I.C.I. | 25 |
| "Imps" | 7 |
| I.C.L. | 20 |
| Inveresk | 7 |
| KCA | 5 |
| Ladbroke | 17 |
| Legal & Gen. | 14 |
| Lex Service | 6 |
| Lloyds Bank | 22 |
| "Lots" | 5 |
| London Brick | 5 |
| Lonrho | 7 |
| Lucas Inds. | 25 |
| Lyons (J.) | 13 |
| "Mams" | 7 |
| Mrks. & Spncr | 13 |
| Midland Bank | 25 |
| Nat. West. Bank | 22 |
| Do. Warrants | 10 |
| P & O Dfd. | 12 |
| Plessey | 9 |
| R.H.M. | 5 |
| Rank Org. 'A' | 18 |
| Reed Intl. | 18 |
| Reyrolle | 20 |
| Spillers | 4 |
| Tesco | 4 |
| Thorn 'A' | 22 |
| Trust Houses | 13 |
| Tube Invest. | 30 |
| Unilever | 40 |
| Utd. Drapery | 7½ |
| Vickers | 15 |
| Woolworths | 6 |
| **Property** | |
| Brit. Land | 3¼ |
| Cap. Counties | 5 |
| E.P. | 5 |
| Intreuropean | 5 |
| Land Secs. | 18 |
| MEPC | 12½ |
| Peachey | 10 |
| Samuel Props. | 10 |
| Town & City | 2 |
| **Oils** | |
| Brit. Petroleum | 45 |
| Burmah Oil | 7 |
| Charterhall | 3½ |
| Shell | 28 |
| Ultramar | 22 |
| **Mines** | |
| Charter Cons. | 12 |
| Cons. Gold | 28 |
| Rio T. Zinc | 16 |

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Thursday January 12 1978



# U.K. car output cut 400,000 by strikes

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE FULL IMPACT of industrial disputes suffered by the four large British motor manufacturers last year has emerged in figures showing a 10 per cent. fall in sales of home-produced cars while total registrations went up by 3 per cent.

Strikes in the car factories and their suppliers deprived the U.K. industry of about 400,000 vehicles during the year, it is calculated, so that output actually fell marginally while the market was rising.

As a consequence, imported cars flooded into Britain, raising their share of the market by 7 per cent. and establishing a sales record of 600,600 vehicles—*a share of 45.4 per cent.*

U.K. CAR REGISTRATIONS

| | 12 months ended December 1977 | % | 1976 | % |
|---|---|---|---|---|
| Ford* | 340,319 | 25.71 | 324,659 | 25.25 |
| British Leyland* | 322,067 | 24.33 | 352,679 | 27.43 |
| Vauxhall* | 120,600 | 9.11 | 114,494 | 8.91 |
| Chrysler* | 79,730 | 6.02 | 82,905 | 6.45 |
| Total British | 722,947 | 54.62 | 797,683 | 62.05 |
| Datsun | 82,133 | 6.21 | 68,853 | 5.36 |
| Fiat | 66,015 | 4.99 | 48,595 | 3.78 |
| Renault | 55,862 | 4.22 | 56,855 | 4.42 |
| VW/Audi | 45,958 | 3.47 | 43,897 | 3.41 |
| Total imports† | 600,577 | 45.38 | 487,900 | 37.95 |
| Grand total | 1,323,524 | 100.00 | 1,285,583 | 100.00 |

* Includes cars from companies' Continental associates which are not included in the total U.K. figure.

† *Includes imports from all sources, including cars from Continental associates of U.K. companies.*

These figures, published by the Society of Motor Manufacturers and Traders yesterday, emphasise the problems the Government now faces in trying to fashion a policy for the British motor industry and revive its flagging manufacturing base.

The market last year, while showing none of the buoyancy which has been experienced in the rest of Europe this year, was higher, at 1,323,524 units, than in any year since the record 1,661,642 of 1973.

## Shortages

Yet the British manufacturers failed to take advantage of the situation, and in the case of the multinationals—Ford, Vauxhall and Chrysler—were at times forced to import from their European plants to overcome supply shortages at home.

At the same time the disputes in the British industry have weakened any case for stronger limits on Japanese imports than those imposed by the informal understanding that Japan will not go much above the previous year's level.

Japanese sales last year, while clearly reined in to some extent, still went up by 15.7 per cent. to 140,415 units and Datsun increased its sales by 13,000 cars to a total of 82,000.

Datsun issued a strong statement yesterday complaining about "misleading" interpretation of Japanese car sales statistics in Britain, and said that Japanese makers' appreciation of the problems facing the British motor industry was "a lasting one," but fears of a further increase in the Japanese share this year remain.

—British producers hope to stem the imports tide this year having got many of the more difficult wages issues out of the way last autumn. But even if this improvement were achieved, imports are expected to drop by only about 2 per cent., while the multinationals continue with their policy of supplying from the Continent. The market overall is expected to reach about 1.42m. vehicles.

Among the importers, the biggest rise was achieved by EEC producers, with sales up by 27.6 per cent. to 412,100 units. Japanese manufacturers achieved a 15.7 per cent. improvement to 140,415 units, while the Comecon countries produced 2 per cent. expansion to 23,300.

Ford became the largest single importer over the full year, bringing in 86,500 vehicles compared with Datsun's 82,100. Vauxhall's imports also went up, by 10,000 to 39,900, and Fiat performed substantially better than in 1976, increasing sales by 16,000 to 66,000. Chrysler's imports went down by 8,000 to 15,000.

# $ could trigger oil price rise

BY RICHARD JOHNS

SAUDI ARABIA has not ruled out an effective increase in oil prices to compensate for the depreciation of the dollar—Sheikh Ahmed Zaki Yamani, the Saudi Minister of Petroleum, suggested yesterday.

He confirmed the country's position that oil prices should be frozen for the whole of 1978, but added that they might now have to be based on "several currencies" if the U.S. dollar kept on falling. He was evidently referring to the formula applied in 1972-73 whereby, after protracted negotiations, the reference price was pegged to a "basket of currencies."

Saudi Arabia has come under some pressure from fellow Arab *oil producers to soften the stand* it took at last month's meeting of the Organisation of Petroleum Exporting Countries (OPEC) that there should be an oil price freeze throughout 1978.

OPEC's economic commission, prior to the Ministerial meeting, reckoned the inflation in the cost of goods imported by member States was as much as 25 per cent. In addition, there was the loss of purchasing power from the depreciation of the dollar in 1977, calculated by Kuwait at over 8 per cent.

Linking oil prices to a "basket of currencies" is no easy formula because of the difficulty of giving the right weight to each one. The so-called Geneva II formula of 1973, which was adopted at the end of that year, was based on 11 currencies.

**Jurek Martin writes from Washington:** Mr. Michael Blumenthal, the U.S. Treasury Secretary, said yesterday that the new activist U.S. policy towards the dollar had accomplished its goal. "The main purpose (of the intervention) has worked, it has quietened things down," he said. It had been necessary to act because of "disorderly market conditions."

Mr. Blumenthal declined comment on the Federal Reserve Board's action last Friday night increasing the discount rate to 6.5 per cent. as another move to defend the American dollar.

**Michael Blanden writes:** The dollar weakened again in foreign exchange markets yesterday, requiring renewed central bank support to bring a slight recovery from its lowest levels against most currencies.

The pound showed a sharp gain on late demand, after being less strong than other leading currencies earlier in the day. Sterling closed with a rise of 2.05 cents on the day at $1.9390, with its trade-weighted index against a basket of currencies rising from 65.7 to 65.8.

The dollar lost ground against the West German Deutschemark at DM2.1122½ against DM2.1360 on the previous day, and against the Swiss franc at Sw.Fr.1.9770 against Sw.Fr.2.0085.

The dollar's average depreciation as calculated by Morgan Guaranty widened to 4.88 per cent. from 4.47 per cent.

# £75m. project for Milford Haven

BY RAY DAFTER AND ROBIN REEVES

TWO U.S.-BASED oil companies, Amoco and Murphy Oil, are to build new oil refinery units at Milford Haven, West Wales, at an estimated cost of about £75m.

Amoco's existing refinery is to be expanded with the installation of a 32,000 barrels-a-day catalytic cracker, a 50,000 barrels-a-day vacuum pipestill and a 3,000 barrels-a-day alkylation unit — facilities aimed at converting heavy fuel oil into a wide range of lighter products such as chemical feedstock and petrol.

As part of the deal Murco Petroleum, the U.K. marketing subsidiary of Murphy Oil, is to acquire the right to process crude oil through the existing 108,000 barrels a day refinery.

Both Murphy and Amoco have a stake in North Sea oil production. The new cracking facility would permit each company to use its crude oil most efficiently, they said.

However, there is growing concern within the oil industry about the amount of refinery modernisation and expansion that is being sanctioned.

More than £1bn.-worth of work is proposed for the next few years. Much of this money will be spent on new cracker projects.

Gulf and Texaco, for instance, are building a £290m. complex also at Milford Haven, a project which in the early discussion stage involved Amoco.

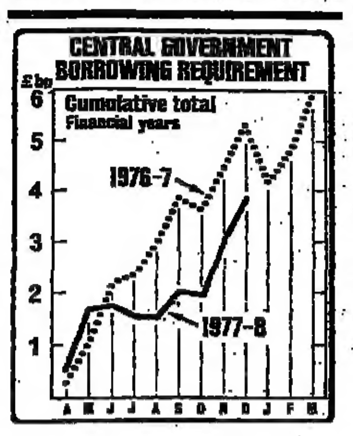
The industry expansion is going ahead in spite of the large amount of over-capacity that now exists in U.K. refineries. It is estimated that many refineries are being operated at between 60 and 70 per cent. of capacity.

It is thought that the main problem could arise in the early 1980s when many of the new plants are due to be commissioned. Amoco and Murco intend that construction work should begin early next year so that the new facilities can be on-stream in 1981.

# THE LEX COLUMN

# Shareholders and company law

Index rose 2.7 to 487.2




The Stock Exchange has decided to come out in more or less direct opposition to many of the more important proposals in the Department of Trade's Green Paper on company reports. In particular, it is reaffirming its belief that company law should concentrate on the responsibilities of companies to shareholders and creditors. If other responsibilities are to be legislated for—and the position of employees is obviously *the key matter for* consideration here—this should be done outside the framework of company law.

There is a lot to be said for the Stock Exchange being concerned with shareholders' rights in this way. And its submission to the Department rightly sweeps aside some of the more nebulous proposals for social accounting and information on peripheral matters, like a company's contribution to the balance of payments. But to be fair the Government appeared to be putting forward such suggestions for the sake of full discussion rather than out of any obvious enthusiasm.

The disadvantage, however, *of the uncompromising* approach is that it runs the risk of encouraging the introduction of backdoor measures. If the rights of employees are to be more directly recognised in law then it might actually be safer for shareholders if this were to be done through company law than otherwise. The Stock Exchange's submission makes the point, for instance, that Trade Unions can gain a great deal of information from the normal collective bargaining process. It is not unusual for employees, whether through house journals or employee reports, to be given significantly more information than goes to shareholders. Given that one of the Stock Exchange's cardinal principles is that information should be equally available to all, the implications of excluding employee relationships from company law could be unfortunate.

In any case, the Stock Exchange cannot ignore the slow but inexorable progress of EEC company law harmonisation. The fourth directive, for instance, which is due for approval within the next few months, contains a number of disclosure provisions primarily geared to employee interests. More importantly, the draft seventh directive appears to be far more concerned with employee, Government and consumer needs than with those of creditors and shareholders.

In several detailed respects, too, the Stock Exchange's comments are disappointing. It is less enthusiastic about disaggregation and about the disclosure of pension liabilities than might have been expected from a body which until now has been actively seeking *greater disclosure by companies.* And there is no direct comment on recent proposals for multi-tier reporting standards while the Stock Exchange has not put forward any view on the merits of simplified accounts. This could, after all, be one way of bringing shareholders and employees within the same framework of disclosure.

## International banking

Against a background of low U.K. interest rates and sluggish lending the outlook for the clearing banks' domestic banking profits is far from encouraging. However, their international banking activities are growing fast, and are now providing a very useful cushion against the vagaries of the U.K. interest rate cycle. Indeed, there is a strong possibility that in the current year two banks — Barclays and Lloyds—could for the first time earn more money from their international operations than from their domestic activities.

Yesterday's 34 per cent. rise in Lloyds Bank International's pre-tax profits to £43.1m., underlines the buoyancy of this side of the business and follows good profit figures from Barclays Bank International and Standard Chartered Bank last month. Unlike BBI, LBI does not push exchange rate adjustments through reserves—it takes them above the line. Last year this meant that profits were inflated by £6.7m. while this year profits were deflated by £7.1m. So instead of rising by a third profits are nearly doubled.

Nevertheless the LBI figures underline the fact that like Barclays and Standard Chartered it is still very dependent on its traditional areas of overseas business. Virtually all the growth in profits comes from Latin America (the old BOLSA territory) which now accounts for 55 per cent. of profits. In particular it has benefited greatly from a big improvement in its Brazilian and Argentinian business, which together accounts for over two-thirds of Latin American profits.

By contrast, LBI, in common with BBI and Standard, does not appear to be making much headway in the highly competitive Eurocurrency and North American markets. These are the two areas where all three groups will have to look for their growth in the future.

## CGBR

Any suggestions that the jump in the December figures for banks' eligible liabilities could be explained by a surprisingly large rise in the central Government borrowing requirement hardly stand up after yesterday's news of a CGBR of £785m. That is right in line with expectations, which had taken into account the income tax rebates and pensioners' Christmas payments. The reasons for the trend in the banking figures could therefore be that money market transactions distorted the figures, or simply that the lending *of the whole banking sector* has again been climbing [illegible] than can be deduced fro[illegible] pattern of clearing [illegible] advances.

Meanwhile the Conso[illegible] Fund figures show [illegible] growth of expend[illegible] accelerated a little, [illegible] per cent. for the fin[illegible] so far has caught [illegible] in the growth rate forec[illegible] Budget. But des[illegible] December rebates, reve[illegible] tinues to be well above ta[illegible] and the public sector borr[illegible]ing requirement could [illegible] emerge at around £6.5bn. f[illegible] the financial year.

# Borrowing by Government below forecast levels

BY MICHAEL BLANDEN

THE Government has continued to run comfortably below the forecast levels of its borrowing requirement, mainly as a result of the unexpectedly rapid growth of its tax income.

The figures of central Government revenue and expenditure published yesterday again indicate that the borrowing requirement of the public sector as a whole should fall substantially under the £7.5bn. for the current financial year forecast in October.

They also suggest the impact of the tax rebates last month was less than had been generally expected in the City, and the Government's borrowing needs were not the main factor behind the further rise in the money supply indicated by this week's banking statistics.

These pointed to a level of money supply growth still at or above the target range of 9-13 per cent. for the financial year. The rise last month appears to have been due to other factors, including possibly continuing effects of the autumn inflow of funds from abroad.

The Treasury figures showed that the central Government borrowing requirement in December was £785m., down from £1.07bn. in November and from £875m. in December 1976.

Over the first nine months of the fiscal year, the borrowing requirement has totalled £3.88bn. This is well down from the £5.37bn. recorded in the same period last year, and is in sharp contrast with the 17 per cent. increase forecast in the spring Budget last year.

The major reason for the shortfall in the borrowing requirement has been on the revenue side of the Government's accounts. Spending from the consolidated fund—through which the tax revenues pass—has been pretty much on target.

In December, consolidated fund expenditure was 20 per cent. up compared with the previous year, but over the first nine months as a whole, the rise was only some 11 per cent., an increase of £3.02bn. to £31.7bn. This compared with a 10 per cent. rise forecast in the Budget.

Consolidated fund revenue in December was £300m. higher than a year earlier at £2.81bn. The figure was affected by the October income tax rebates, the bulk of which took effect in December, but also by the second call of £291m., on the issue of BP stock.

Over the first nine months of the year, revenue showed an increase of £3.97bn. over the previous year, or nearly 17 per cent. Part of this is accounted for by the inclusion of the total *BP receipts of £500m., but even* so, receipts have been running well above forecast. The main rise has come from Inland Revenue receipts, somewhat higher so far in spite of subsequent tax reliefs.

# Inflation slowdown checked

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

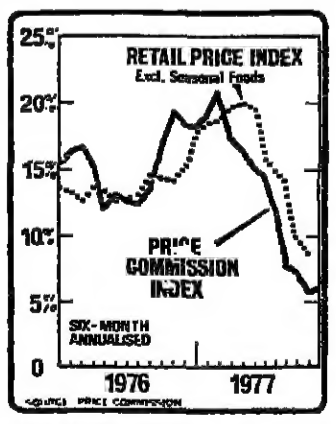
THE SLOW DOWN in the underlying rate of inflation stopped in December, according to the latest figures from the Price Commission.

After nine months in which the commission's index of price *rises notified to it has been* steadily falling, the rate of increase in the index showed a small rise last month.

The index—which usually provides a reliable advance indicator of trends in retail prices—rose by 2.9 per cent. in the six months to the end of December.

Expressed at an annual rate, these six-months figures mean that the rate of increase in the commission's index is now running at 6 per cent. In November the increase was down to 5.8 per cent.

The acceleration was due to a big increase in the number of companies wanting to raise their prices in December and appears to have been partly seasonal.




Btween August and October the commission was receiving about 220 notifications a month, but the rate per month rose to nearer 400 in December as companies submitted proposals for raising their prices in the New Year.

The biggest fall in the rate of increase in the commission's *index took place in August and* September, just after the new price controls were introduced. The figures for November and December suggest a much flatter trend, which from now on could be affected by any bunching of increases, as happened this month.

The commission's index usually gives three to four months' advance warning of likely trends in the Retail Price Index. Despite this month's small increase in the Commission's figures, the annual rate of inflation in the shops still looks like reducing to single figures by the spring.

# Alliance to fight S. African racialism

BY BERNARD SIMON

JOHANNESBURG, Jan. 11.

A MAJOR new dimension was given to South African politics to-day when Zulu, Indian and Coloured leaders agreed to formulate a common strategy against the Government's race policies. The alliance could become the largest political grouping in the country.

The move came at a meeting in Ulundu, capital of the Kwa Zulu bantustan, attended by the Zulu leader Chief Gatsha Buthelezi, also head of the Inkatha political and cultural movement, Mr. Sonny Leon, leader of the Coloured Labour Party, and Mr. Y. S. Chinsamy, who heads the Indian Reform Party. They agreed their movements were "representative of oppressed peoples and share common aims and objectives."

To give practical effect to the alliance, the three—well known for their strong opposition to apartheid—also agreed to set up an interim co-ordinating committee to prepare the ground for a national convention, in which all South Africans could participate "to create a charter for a non-racial future."

The meeting, described by Mr. Leon as a turning point in South Africa's history, has set the stage for close political collaboration between the 5.4m. Zulus, 2.4m. Coloureds and 765,000 Indians.

But any attempt to establish a fully-fledged political party based on the new alliance is bound to fall foul of the Prohibition of Political Interference Act which, among other *things, forbids* parties from drawing members from more than one race group.

There are already signs that the government will strongly oppose any arrangement which does not fit into its new constitutional proposals, under which three separate parliaments for Whites, Coloureds and Asians would contribute members to a multi-racial council, headed by an executive president, which would have responsibility for major policy areas. Africans, whose homelands are supposed to proceed to independence, would not form part of this arrangement.

Mr Jimmy Kruger, Justice Minister, recently warned Chief Buthelezi there would be "trouble" if the Chief broadened the base of his Inkatha movement to include non-Zulus. Since last October's Government crackdown, *Inkatha is the only broad-based* black political grouping in the country, controlling its own newspaper and reportedly having access to considerable sums of money.

Continued from Page 1

# Steel

Mr. Russell Kerr, Labour MP for Hounslow, Feltham and Heston and chairman of the committee, said yesterday that precise figures were a matter for British Steel and the Government.

The committee believes reduced costs must involve improved manning levels and the closure of several older works, particularly those being kept in production for social reasons as a result of the review carried out by Lord Beswick when he was a Department of Industry minister.

*The committee wants any staff* cuts to be conducted over several years in a socially acceptable manner.

It expects the corporation to lose some £500m. in the current financial year, about £350m. in 1978-79, and perhaps £100m. in 1979-80, with no chance of breaking even before 1980-81 even if early corrective action is taken.

The committee says of the major steelworks:

**Scunthorpe, Lincolnshire, and Llanwern, South Wales:** Expansions are almost complete although Scunthorpe is still short of iron-making capacity.

**Ravenscraig, Scotland:** Expansion should be completed.

**Port Talbot, South Wales:** There is a pressing need for new iron and steel making plant. But the committee does not accept that the works *should* have, as planned, a new medium-width strip mill.

The need for such a mill should be treated as a separate investment problem. Meanwhile, Port Talbot could be equipped relatively cheaply with a new wide-strip mill using the foundations of the present mill.

**Redcar, Teesside:** The first stage of the development should be completed but the second stage, involving an investment of £1.6bn. at 1975 prices, should be reconsidered.

The MPs see no justification for such a big increase in steel-making capacity and suggest that a cheaper alternative might be to build a blast furnace at Scunthorpe to provide more iron there and thus permit steel output to be raised.

The proposed steel plate mill *on Teesside:* This £200m. investment should go ahead only after a searching review of the market prospects for its output in the North Sea offshore industry, and the shipbuilding industry.

# Weather

SUNNY intervals and wintry showers. Strong winds.

**London, Cent., N.W., S. England, Midlands, Lake Dist.**
Mostly dry, sunny intervals. Max. 3C (37F).

**S.E., E. England, E. Anglia, Channel Is.**
Cloudy, wintry showers. Max. 3C (37F).

**S.W. England, Wales, Isle of Man**
Sunny intervals, wintry showers. Max. 3-5C (37-41F).

**Cent. N., N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands**
Cloudy, wintry showers. Max. 2C (36F).

**Glasgow, Argyll, N. Ireland**
Mostly dry, sunny intervals. Max. 2C (36F).

**Moray Firth, N.E. Scotland, Orkney, Shetland**
Snow showers, cloudy later. Max. 2C (36F).

**N.W. Scotland:** Becoming cloudy with sleet or snow. Max. 3C (37F).

**OUTLOOK:** Mostly dry in south, cloudy in North.

BUSINESS CENTRES

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Aukland | C | 25 | 77 | Luxembrg. | Sl | 1 | 34 |
| Amstrdm. | R | 5 | 41 | Madrid | F | 8 | 46 |
| Athens | S | 10 | 50 | Manchstr. | C | 4 | 39 |
| Bahrain | S | 16 | 62 | Melbourne | C | 18 | 64 |
| Barcelona | C | 18 | 64 | Mexico C. | C | 15 | 59 |
| Beirut | F | 14 | 57 | Milan | Sn | 0 | 32 |
| Belfast | S | 2 | 36 | Montreal | S | −14 | 7 |
| Belgrade | F | −3 | 27 | Moscow | C | −8 | 18 |
| Berlin | C | 4 | 39 | Munich | C | 2 | 36 |
| Brmghm. | Sl | 3 | 38 | Newcastle | Hl | 5 | 41 |
| Bristol | C | 4 | 39 | New York | S | −3 | 27 |
| Brussels | R | 5 | 41 | Oslo | S | −9 | 16 |
| Budapest | Sn | −5 | 23 | Paris | C | 5 | 41 |
| B. Aires | S | 31 | 88 | Perth | F | 37 | 99 |
| Cairo | S | 20 | 68 | Prague | C | 1 | 34 |
| Cardiff | C | 3 | 37 | Reykjavik | C | −8 | 18 |
| Chicago | S | −15 | 5 | Rio de J'o | C | 29 | 84 |
| Cologne | R | 5 | 41 | Rome | C | 11 | 52 |
| Copnhagn. | R | 3 | 37 | Singapore | R | 24 | 75 |
| Dublin | S | 3 | 37 | Stockholm | F | 1 | 34 |
| Edinburgh | F | 1 | 34 | Strasbrg. | C | 5 | 41 |
| Frankfurt | C | 6 | 43 | Sydney | C | 20 | 68 |
| Geneva | R | 4 | 39 | Tehran | C | 5 | 42 |
| Glasgow | S | 1 | 34 | Tel Aviv | C | 12 | 54 |
| Helsinki | F | 0 | 32 | Tokyo | S | 8 | 47 |
| H. Kong | S | 16 | 61 | Toronto | C | −8 | 18 |
| Jo'burg | R | 20 | 68 | Vienna | C | −3 | 27 |
| Lisbon | R | 14 | 57 | Warsaw | F | 0 | 32 |
| London | Sl | 3 | 37 | Zurich | C | 0 | 32 |

HOLIDAY RESORTS

| | | Y'day mid-day °C | °F | | | Y'day mid-day °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | R | [illegible] | [illegible] | Jersey | R | [illegible] | [illegible] |
| Algiers | [illegible] | [illegible] | [illegible] | Las Plms. | [illegible] | [illegible] | [illegible] |
| Biarritz | [illegible] | [illegible] | [illegible] | Locarno | [illegible] | [illegible] | [illegible] |
| Blackpool | [illegible] | [illegible] | [illegible] | Majorca | [illegible] | [illegible] | [illegible] |
| Bordeaux | [illegible] | [illegible] | [illegible] | Malaga | [illegible] | [illegible] | [illegible] |
| Boulogne | [illegible] | [illegible] | [illegible] | Malta | [illegible] | [illegible] | [illegible] |
| Casablanca | [illegible] | [illegible] | [illegible] | Nairobi | [illegible] | [illegible] | [illegible] |
| Cape Twn. | [illegible] | [illegible] | [illegible] | Naples | [illegible] | [illegible] | [illegible] |
| Corfu | [illegible] | [illegible] | [illegible] | Nice | [illegible] | [illegible] | [illegible] |
| Dubrovnik | [illegible] | [illegible] | [illegible] | Nicosia | [illegible] | [illegible] | [illegible] |
| Faro | [illegible] | [illegible] | [illegible] | Oporto | [illegible] | [illegible] | [illegible] |
| Florence | [illegible] | [illegible] | [illegible] | Rhodes | [illegible] | [illegible] | [illegible] |
| Funchal | [illegible] | [illegible] | [illegible] | Salzburg | [illegible] | [illegible] | [illegible] |
| Gibraltar | [illegible] | [illegible] | [illegible] | Tangier | [illegible] | [illegible] | [illegible] |
| Guernsey | [illegible] | [illegible] | [illegible] | Tenerife | [illegible] | [illegible] | [illegible] |
| Innsbruck | [illegible] | [illegible] | [illegible] | Tunis | [illegible] | [illegible] | [illegible] |
| Inverness | [illegible] | [illegible] | [illegible] | Valencia | [illegible] | [illegible] | [illegible] |
| I. of Man | [illegible] | [illegible] | [illegible] | Venice | [illegible] | [illegible] | [illegible] |
| Istanbul | [illegible] | [illegible] | [illegible] | | | | |

S—Sunny. F—Fair. C—Cloudy. R—Rain. Hl—Hail. Sl—Sleet. Sn—Snow.



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